

CANADIAN INTERNET REGISTRATION AUTHORITY
DOMAIN NAME DISPUTE RESOLUTION POLICY COMPLAINT

Disputed Domain Name Scion.ca (the "Domain Name")
Complainant: Toyota Canada Inc.
Registrant: Ken Sproul, c/o KS/MC Enterprises
Registrar: DomainsAtCost Corp.
Panel: Hugues G. Richard, sole Panellist
Service Provider: Resolution Canada, Inc.

DECISION

THE PARTIES

1. The Complainant is Toyota Canada Inc., having its place of business at One Toyota Place, Toronto, Ontario, M1H 1H9.
2. The Registrant is Ken Sproul, residing on Seneca Hill Drive Street, Alberta, M2J 4S7.

PROCEDURAL HISTORY

3. Resolution Canada Inc. is a service provider recognized by the Canadian Internet Registration Authority, pursuant to the Domain Name Dispute Resolution Policy (v 1.2) (the "Policy") and Rules (v 1.3) (the "Rules") of the Canadian Internet Registration Authority.
4. On April 20, 2010, the Complainant filed a complaint with Resolution Canada seeking an order directing that the registration of the Domain Name be transferred from the Registrant to the Complainant.
5. Resolution Canada forwarded notice of the Complaint to the Registrant by e-mail, dated April 21, 2010, in accordance with Rules 2.1. Resolution Canada set the date of commencement of proceedings to be April 21, 2010 and informed the Registrant of its right to file a Response to the Complaint within 20 days.
6. On May 13, 2010, considering that no response was submitted by the Registrant, Resolution Canada announced the selection of Hugues G. Richard as the sole panellist to adjudicate the dispute.

CANADIAN PRESENCE REQUIREMENTS

7. Pursuant to 1.4 of the Policy, a complaint is eligible for arbitration only if the person submitting it satisfies the Canadian Presence Requirements (the "CPR") at the time of submission. The CPR states that to be permitted to apply for the registration of, and to hold and maintain the registration of a .ca domain name, the applicant (i.e. the Complainant) must meet at least one of the criteria listed as establishing a Canadian presence.
8. A "corporation under the laws of Canada or any province or territory of Canada" satisfies the CPR (paragraph 2(d)). From the evidence submitted, it appears that the Complainant, Toyota Canada Inc., meets the CPR because it is a federal corporation under the laws of Canada.
9. Therefore, the Complainant satisfies the CPR and is eligible to hold the registration of a .ca domain name.

FACTS

10. The Complainant is a Canadian corporation and is the exclusive Canadian distributor of Toyota branded automobiles, trucks and auto parts, which are sold to the public through its approximately 230 authorized Toyota dealers across Canada (www.toyota.ca).
11. On September 24, 2001, the Complainant has filed applications to register the mark, as well as the logo that incorporates the Mark in Canada in association with wares only. These applications had to be abandoned due to the changes in Toyota's plans for the launch of the SCION-branded automobiles in Canada. New applications based on proposed use in Canada in association with wares only were subsequently filed with CIPO on May 13, 2008, which were advertised on March 25, 2009 and allowed on July 10, 2009.
12. The Complainant alleges that it has used the SCION Mark in Canada since at least as early as June, 2003, and continues to use the Mark.
13. The Complainant alleges that it has used the SCION brand in association with its pre-launch publicity in Canada, and in association with the maintenance and repair services that are provided by Toyota dealers with respect to SCION-branded automobiles previously sold in the United States that have been imported and are being used in Canada.
14. The Complainant alleges that there has also been a spill-over use of the Mark in Canada, as a result of significant employment of the Mark in the United States, where SCION vehicles were launched in 2003.

15. The Complainant alleges that in association with the U.S. launch of the SCION brand, the SCION Mark has been used by the Complainant's associated firm, Toyota Jidosha Kabushiki Kaisha TA Toyota Motor Corporation, Japan ("TMC") AND Toyota Motor Sales, U.S.A. Inc. ("TMS") SINCE June, 2003, and prior to that date, in connection with the planned launch.
16. TMC filed an application to register the SCION Mark in the United States Patent and Trade-Mark Office on August 2, 2001 (Application Number: 76293830). The SCION Mark was registered in the United States on December 16, 2003 (Registration Number: 2795479). Similarly, TMC filed an application to register its SCION logo on February 11, 2003 (Application Number: 2787231).
17. The Complainant alleges that its associated firms have used the SCION Mark on the Internet since at least as early as March 30, 2002. The SCION Mark was used on the web site, www.scion.com as early as March 20, 2002, in a "teaser" web page, advertising the Toyota vehicle to be sold under this brand.
18. The www.scion.com site has been accessible in Canada since its inception; the Complainant alleges that this use provides evidence that the SCION Mark has been made known in Canada since at least as early as March 30, 2002.
19. The Complainant alleges that there has been significant use of the SCION Mark in broadcast and print advertising that is accessible in Canada, particularly in border areas. Broadcast advertisements featuring the SCION Marks were published in magazines and newspapers, in association with the 2003 U.S. launch. These broadcasts and publications are available in Canada. Press releases were issued on the following dates: October 19, 2008; January 15, 2009; April 8, 2009; and October 29, 2009.
20. The Complainant submits a printout of the CIRA WHOIS database that indicates that the Domain Name was registered on March 4, 2003 and was most recently updated on January 31, 2010. This WHOIS record does not provide information for the Administrative or Technical contacts.
21. The Complainant alleges that the Domain Name is identical to the Mark, except for the ".ca" top-level domain name indicator, so that it so nearly resembles the Mark in appearance, sound or ideas suggested by the Mark as to be likely mistaken for the Mark as required by the definition of the phrase "Confusingly Similar" at s. 3.4 of the policy.

22. The Complainant alleges that since the Registrant has chosen to remain unidentified on the CIRA WHOIS record, and although the "Approval Date" for the Domain Name is provided as March 4, 2003 and the "Updated Date" as December 26, 2008, there is no way of knowing when the current Registrant obtained its rights in the Domain Name. Inferences must then be made based on the changes in the contents of the Domain Name's web site. With the "Wayback Machine" Internet archive, the Complainant infers that the Registrant's interest in the Domain Name was acquired in either September 2005 or November 2005, so subsequent to Toyota's use of the SCION Mark.

23. The contents of the site, on August 24, 2005, provided a link to Mr. Ken Sproul's blog approximately half-way down the page. The blog entry for August 25, 2005 contains the statement that Mr. Sproul owns the domain name scion.ca. It also includes a discussion of search engine optimization techniques, as well as the following passage, which the Complainant alleges confirms that Mr. Sproul had no "rights" as specified in the Domain Name and that he was aware of the Complainant rights in the SCION Mark as used in association with automotive products and services:

By the way, 'scion' is a rather popular search phrase hence a challenge to get rankings for. Scion got 124,000 searches at Overture.COM last month so that number would increase many times over at the bigger engines. Scion Canada got 464 searches. Very decent. **For those of you who are surprised by these searches, it's because Toyota has a car called the Scion. I've actually been offered \$2000 for the domain name. But it's \$2000 Canadian** so, you know, with that and a quarter I can buy a quart of milk (I mean a litre of milk). [Emphasis added.]

24. On November 5, 2005, the contents changed to a placeholder page containing an assortment of references to SCION and hyperlinks to other sites that involve references to automotive products and services. The Complainant alleges that it seems that the new content is associated with a new owner, who had acquired it for the purpose of capitalizing on the rights of Toyota in its SCION Mark. Since that date, the content has virtually consisted of a list of hyperlinks to other websites that are unaffiliated with Toyota, including links to competitors' websites, and as of April 19, 2010, the site includes links to a variety of automotive listings.

25. The Complainant submits that the Registrant has no legitimate interests, as he has no rights in the SCION Mark, and is not a Toyota-authorized dealer. Moreover, the WHOIS record does not disclose that the Registrant has any legitimate interest in the Domain Name.

26. The Complainant alleges that the Registrant has registered the Domain Name in bad faith since it is not an authorized Toyota dealer, and that the contents consist of hyperlinks to other Internet web sites as mentioned above. Also, when the Domain Name was registered or controlled by Mr. Ken Sproul, there was general public knowledge of Toyota's interest in its SCION Mark.
27. The Complainant published a press release dated October 29, 2009, announcing that the SCION brand launch in Canada will take place as of September 2010.

REMEDY SOUGHT

28. In its Complaint, the Complainant seeks the following order: That the Domain Name be transferred to the Complainant in accordance with paragraph 4 of the Policy.

EFFECT OF FAILURE OF REGISTRANT TO FILE A RESPONSE

29. Paragraph 5.8 of the Rules provides:

"If a Registrant does not submit a Response within the period for submission of a Response or any period extended pursuant to paragraphs 5.4 or 5.6, the Panel shall decide the Proceeding on the basis of the Complaint [...]."

30. It must be stated however, as in *Browne & Co. Ltd. V. Bluebird Industries* (CIRA Decision No 00002), that:

"The requirement does not preclude the Panel from assessing the integrity and credibility of the evidence as disclosed in the Complaint."

31. In the present case, the Panel must determine whether or not the evidence meets the Policy requirements.

APPLICABLE LAW

32. Pursuant to paragraph 12.1 of the Rules, the Panel shall apply the laws of Ontario and the laws of Canada applicable therein.

THE POLICY

33. The purpose of the Policy as stated in its paragraph 1.1 is to provide a forum in which cases of bad faith registration of .ca domain names can be dealt with relatively inexpensively and quickly.

34. In order to succeed, the Complainant must prove, on a balance of probabilities, that (paragraph 4.1 of the Policy):

- (a) the 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;
- (b) the Registrant has registered the domain name in “bad faith” in accordance with the definition of “bad faith” contained in paragraph 3.7 of the Policy; and
- (c) the Registrant has no “legitimate interest” in the Domain Name as the concept of “legitimate interest” is defined in paragraph 3.6 of the Policy.

35. 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.

DISCUSSION

CONFUSING SIMILARITY BETWEEN THE DOMAIN NAME AND THE COMPLAINANT’S MARK

36. The Policy defines a “Mark” as one of the following (paragraph 3.2):

- (a) 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 or predecessor from the wares, services or business of another person;
- (b) a certification mark, including the word elements of a design mark, that has been used in Canada by a person or the person’s predecessor in title, for the purpose of distinguishing wares or services that are of a defined standard;
- (c) a trade-mark, including the word elements of a design mark, that is registered in CIPO; or
- (d) the alphanumeric and punctuation elements of any badge, crest, emblem or mark in respect of which the Registrar of Trade-marks has

given public notice of adoption and use pursuant to paragraph 9 (1)(n) of the *Trade-marks Act* (Canada).

37. Paragraph 3.3 of the Policy defines “Rights” in a Mark as follows:

A person has “**Rights**” in a Mark if:

(a) in the case of paragraphs 3.2 (a) and 3.2 (b), the Mark has been used in Canada by that person, that person’s predecessor in title or a licensor of that person or predecessor;

(b) in the case of paragraph 3.2 (c), the Mark is registered in CIPO in the name of that person, that person’s predecessor in title or a licensor of that person; or

(c) in the case of paragraph 3.2 (d), public notice of adoption and use was given at the request of that person. [Emphasis added]

38. Paragraph 3.5 of the Policy defines “use” or “used” as follows:

A Mark is deemed to be in “use” or “used” in association with:

(a) wares: (i) if, at the time of the transfer of the property in or possession of the wares in the normal course of trade, the Mark is marked on the wares themselves or on the packages in which they are distributed or the Mark is in any other manner so associated with the wares that notice of the association is then given to the person to whom the property or possession is transferred; or (ii) at the time the wares are exported from Canada, if the Mark was marked in Canada on the wares or on the packages in which they are contained and the wares or packages are still marked when exported;

(b) services, if the Mark is used or displayed in the performance or advertising of those services;

(c) a business, if the Mark is displayed in the operating, advertising or promoting of the business; or

(d) a non-commercial activity, if the Mark is displayed in the carrying out, promoting or advertising of the non-commercial activity.

39. The CIRA Policy not only contemplates protection for registered trade-marks, but also for unregistered trade-marks. More specifically, the wording of paragraph 3.2 (a) of the Policy is broad enough to capture unregistered trade-marks, particularly in view of the fact that paragraph 3.2 (c) of the Policy expressly contemplates the protection of registered trade-marks apart from the protection of trade-marks generally, as

provided for in paragraph 3.2 (a). Paragraph 3.2 (a) also makes reference to a “trade name that has been used in Canada by a person [...] for the purpose of distinguishing the wares, services or business of that person [...] from the wares, services or business of another person”.

40. In our case, the Mark is not covered by (b), (c), or (d) of paragraph 3.2 of the Policy. Similarly to section 4 of *Trade-marks Act* (R.S.C. 1985, c.T-13), to qualify as a Mark under Policy paragraph 3.2 (a), the Complainant must provide evidence that the Mark was used in Canada by the Complainant or its predecessor in title.

41. Under 3.3 (a) of the Policy, a right in the mark only attaches to the Mark where use is shown. The simple assertion that complainant has rights, without any further evidence to that effect, provides the Panel with a limited evidentiary record to find the requisite use of the Mark.

42. In order to demonstrate a proper use of a Mark in Canada in association with wares, as provided under paragraph 3.5 of the Policy, a transfer of the property in or possession of the wares in the normal course of trade is required. In other words, there must be evidence of sales of those wares in Canada. In the present case, no evidence of such transfer of property of the wares or exportation from Canada of the wares was provided. This fact is corroborated by evidence provided by Complainant to the effect that:

- The applications to register the SCION Mark filed by Complainant with CIPO on September 24, 2001 and March 21, 2002 were abandoned due to changes in Toyota’s plans for the launch of the sale of SCION-branded automobiles in Canada. The new applications filed on May 13, 2008 show a “Proposed Use in Canada” associated with wares described as (1) Automobiles and structural parts thereof. The aforementioned facts demonstrate that no use of the SCION Mark in association with wares was made as of these dates.

- The press release dated October 29, 2009, announces that the SCION brand launch in Canada will take place as of September 2010.

43. The display of the Mark on web sites does not constitute a use in connection with wares as defined under paragraph 3.5 (a) of the Policy. As decided by the Court of Appeal for Ontario, in *Pro-C Ltd. v. Computer City Inc.* 14 C.P.R. (4th) 441, “a passive website could not constitute a use in association with wares because no transfer of ownership was possible through that medium”. In the *Pro-C Ltd.* case, no sales were made directly to Canada or in Canada through defendant’s website. The Court therefore considered that the requirements of section 4 of the *Trade-marks Act*,

concerning use of a Mark in association with wares, which are the same as in paragraph 3.5 (a) of the Policy, were not met.

44. The Panel infers from the evidence or the lack thereof that no use of the SCION brand in association with wares was made in Canada in accordance with paragraph 3.5 of the Policy.
45. No definition in the Policy provides that a Mark which is “made known” in Canada is enough to establish that a person has rights in this Mark.
46. To be in use or used in association with services under paragraph 3.5 (b) of the Policy, the Mark has to be used or displayed in the performance or advertising of those services. However, the mere assertion that the Mark is used in association with maintenance and repair services provided by Complainant’s authorized dealers is not enough to prove that the Mark is in use or used in association with services. No example of such a display in the performance or advertising of services was brought to the attention of the Panel. Moreover, all the applications for registration filed in Canada were for proposed use of the Mark in association with wares only, and do not include any association of the Mark with services. The Panel is therefore forced to conclude that no evidence of the Mark’s **use** in association with services was provided by the Complainant.
47. Furthermore, to be in the presence of a Mark as defined by the policy, the Complainant must have had rights “prior” to the date of registration of the Domain Name and continue to have them. However, the disputed Domain Name, Scion.ca, was registered on March 4, 2003, so it predates Complainant’s filing for registration. Complainant did not provide the Panel with evidence to the effect that it had rights in the Mark based on its use in Canada prior to March 4, 2003.
48. Having failed to prove its rights in the SCION Mark prior to the date of registration of the Domain Name, the Panel finds it unnecessary to address the question of whether the Domain Name is “Confusingly Similar” to a Mark or not.
49. In light of this conclusion, the Panel is of the opinion that the Complainant has not met its first burden of proof.

NO LEGITIMATE INTEREST IN THE DOMAIN NAME

50. The Panel is of the view that, considering its findings on the issue of “Confusing Similarity between the Domain Name and the Complainant’s Mark”, it does not need to examine the issue of “Legitimate interest” in the domain name.

REGISTRATION IN BAD FAITH

51. For the same reason, the Panel is also of the view that it does not need to examine the issue of "Registration in bad faith".

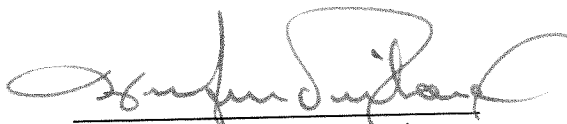
DECISION

52. The Panel has decided as follows:

- (a) The Complainant is an eligible complainant.
- (b) The Complainant has not established its rights in Canada in the SCION Mark before the Registration of the Domain Name, and that it continues to have such rights.
- (c) Therefore, the Complainant has not satisfied its onus concerning the obligations under paragraph 4.1 of the Policy.

ORDER

53. The Complainant has failed to prove, on a balance of probabilities, that it had rights in the Mark prior to the date of registration of the Domain Name. Accordingly, the Complainant has not established one of the requirements set out in Policy paragraph 4.1. For that reason, the Panel dismisses the complaint.



Hugues G. Richard
Sole Panellist

Dated June 2, 2010