

IN THE MATTER OF A COMPLAINT PURSUANT TO THE CANADIAN
INTERNET REGISTRATION AUTHORITY DOMAIN NAME DISPUTE
RESOLUTION POLICY

Domain Name: KLM.CA
Complainants: AIR FRANCE – KLM and
KONINKLIJKE LUCHTVAART MAATSCHAPPIJ N.V. (“KLM”)
Registrant: ML Group (Maher Roz)
Registrar: DomainsAtCost Corp.
Panelist: Denis N. Magnusson
Service Provider: Resolution Canada, Inc.

DECISION

A. The Parties

1. The first Complainant is AIR FRANCE - KLM, a limited company registered under the laws of France No. B 552 043 002 and the second Complainant is KONINKLIJKE LUCHTVAART MAATSCHAPPIJ N.V. (“KLM”) a limited company registered in Amstelveen, under the laws of the Netherlands - No. 33014286.

2. The Registrant is ML Group. The Administrative Contact and the Technical Contact for the Registrant ML Group is Maher Roz. Maher Roz was contacted by the Complainant by e-mail on November 28, 2008. The Complainant received a reply on December 5, 2008, signed “Maher Roz” which included the statement “I confirm that I am the registered owner of klm.ca”.

B. The Domain Name and Registrar

3. The disputed domain name is KLM.CA. The Registrar is DomainsAtCost Corp. The disputed domain name was registered on November 13, 2000.

C. Procedural History

4. This is a proceeding under the Canadian Internet Registration Authority ("CIRA") *Domain Name Dispute Resolution Policy* (Version 1.2) (the "Policy") and the CIRA *Domain Name Dispute Resolution Rules* (Version 1.2) (the "Rules").

5. The Complainants submitted this Complaint to the Provider, Resolution Canada, which Complaint the Provider found in compliance with the Policy and the Rules. The Provider forwarded the Complaint to the Registrant and sent a Notice of Complaint to the Registrant and Complainant stating the date of the commencement of the proceeding as August 9, 2011.

6. Registrants of dot-ca domain names agree as a condition of their registrations that they will be subject to the Policy and Rules including any changes in the Policy and Rules which CIRA may implement from time-to-time¹. Policy, 1.8 provides that any amendments to the

¹ Registrant Agreement Version 2.0, 2.1

Policy will take effect 30 days after such amendments have been posted on the CIRA website. CIRA has posted notice of amendments to the Policy (as version 1.3) and indicated that the effective date of the amendments is August 22, 2011. Policy, 1.8 also provides that “[t]he version of the Policy in effect at the time a Proceeding is initiated will apply to the Proceeding” [emphasis added]. Rules, 3.1 provides that “[a] Complainant shall initiate a Proceeding by submitting a Complaint to a Provider . . .”. The Complainant initiated this Complaint with the Provider on July 29, 2011. The Notice of Complaint indicated that the date of the commencement of the proceeding was August 9, 2011. This proceeding is not governed by the revised Policy which did not become effective until August 22, 2011.

7. The Registrant filed no Response to the Complaint. Thus, Rules, 5.8 applies to this proceeding:

No Response. If a Registrant does not submit a Response . . . the Panel shall decide the Proceeding on the basis of the Complaint. . . .

8. No Response having been filed, the Complainant elected to have the Complaint dealt with by a single panelist as permitted under Rules 6.5. Resolution Canada selected the undersigned Denis N. Magnusson as the panelist.

D. Panelist Impartiality and Independence

9. As panelist I have given Resolution Canada, Inc. a declaration of impartiality and independence as required by Rules, 7.2.

E. Canadian Presence Requirements

10. The first Complainant, AIR FRANCE - KLM, is a limited company registered under the laws of France that was, at the filing of this Complaint, the owner of the registration for the trademark KLM under the Canadian Intellectual Property Office (“CIPO”) trademarks register. As such it meets the requirement under paragraph 2(q) of the CIRA *Canadian Presence Requirements for Registrants*, Version 1.3.

11. The first Complainant (AIR FRANCE – KLM) is the result of a merger (“alliance”) between the second complainant ((KONINKLIJKE LUCHTVAART MAATSCHAPPIJ N.V. (“KLM”)) and Société AIR FRANCE. The second Complainant KONINKLIJKE LUCHTVAART MAATSCHAPPIJ N.V. (“KLM”) is a limited company registered under the laws of Netherlands. It was the first user of the KLM trademark in Canada and the original applicant to register the trademark KLM under the CIPO trademarks register. In that application to register KLM claimed that it had begun using the trademark KLM in Canada in association with the services of transportation of passengers and goods by air at least as early as 1949. Ownership of that application to register the trademark was assigned to the first Complainant in March, 2009. For this Complaint the first Complainant appears to be the successor in law to the common law and statutory trademark rights in Canada to the Mark KLM of the second Complainant.

12. The Complaint asked that the second Complainant be recognized as a Complainant meeting the Canadian Presence requirements because it was the first user and owner in Canada of the unregistered trademark relied upon and that it was the original applicant to register the trademark

relied upon in the CIPO. However, having assigned its trademark registration application, and the Panel infers, any common law rights to the trademark which might survive the trademark registration, to the first Complainant², the second Complainant has no standing under the Canadian Presence requirements, paragraph 2(q). As no other basis for the second Complainant claiming Canadian Presence status has been offered, the second Complainant cannot be treated as a Complainant for this Complaint. The Complainants are not adversely affected for this Complaint as the first Complainant has succeeded to the trademark rights of the second Complainant. The Registrant is not adversely affected in being able to file a Response by the error in naming the second Complainant as a Complainant. The first Complainant's status as a Complainant with the necessary Canadian Presence originated in the second Complainant's common law rights and the second Complainant's original application to register in the CIPO. These facts would have been set out as they are in this Complaint in a corrected Complaint that named only the first Complainant as the Complainant of record.

F. Relief Requested

13. The Complainant requested that the Panel order that ownership of the domain name be transferred from the Registrant to the first Complainant AIR FRANCE – KLM.

G. Factual Background

14. KONINKLIJKE LUCHTVAART MAATSCHAPPIJ N.V. (“KLM”), began in the airline business in the Netherlands in 1919. It began using the trademark KLM in Canada at least as early as 1949, when it was licensed by the Canadian Air Transport Board to offer service between Montreal and Amsterdam. At least as early as 1974 KLM was licensed to offer service between Toronto and the Netherlands as well as between Montreal and the Netherlands.

15. The Complaint states that “KLM Royal Dutch Airlines is one of the most important international airline passenger and freight carriers . . . KLM ranks fourth worldwide in terms of international passengers carried”. The Complaint notes that, in what the Panel presumes was the most recent reporting year, KLM featured “19,4 million passengers carried to 142 destinations in more than 70 countries [and currently employs] more than 34,000 persons worldwide”. From the KLM history at the KLM URL cited in the Complaint, we learn that KLM first carried more than 10 million passengers in a year as early as 1993.

16. The Complaint notes that KLM has operated “an international web portal under the Uniform Resource Locator <http://www.klm.com>, registered in 1997 and used by KLM since December 1998”.

17. The Complaint refers to several prior disputes under the UDRP in which the established reputation of the KLM trademark was acknowledged, including this decision in March, 2000:

² *Trade-marks Act*, RS 1985, c.T10, s. 48 provides: “A trade-mark, whether registered or unregistered, is transferable, and deemed always to have been transferable . . .”. The inference about the transfer of any surviving common law rights is made as this is common practice, reflecting concern that failure to transfer, and any continued use of any untransferred rights by the transferor in its own right, might endanger the distinctiveness and validity of both the registered and unregistered trademark.

WIPO Case No. D2000-0963 regarding KLM.ORG

“the Complainant's KLM trademark is known worldwide and it is difficult to conceive of any use of that mark by the Respondent that could be legitimate and not actionable under the Complainant's trademark rights and/or under consumer protection legislation.”

18. The disputed domain name KLM.CA was registered on November 13, 2000 in the name of ML Group as Registrant. The Administrative and the Technical contact for the domain registration was listed as Maher Roz. The mailing address for Maher Roz is given as a P.O. Box number, and the postal code and the telephone contact area code indicate a Toronto region location.

19. The Complaint notes that after registration and prior to 2003 the domain name simply resolved to a default “under construction” webpage provided by the Registrar. The Complainant’s search through the Internet Archive search engine indicates that the domain name has been inactive since 2003.

20. In 2004 KLM merged with Air France through the creation of the holding company AIRFRANCE – KLM, the Complainant in this dispute.

21. In 2008 the Complainants “were seeking to develop their online presence under national Top Level Domain Names” and discovered the apparently inactive KLM.CA registration. In November, 2008 the Complainant contacted Maher Roz by e-mail noting that the existence of the Complainant’s trademark rights which might make use of the domain name infringement of those rights. Maher Roz replied stating that he was the owner of the domain name registration and inviting further discussion.

22. The Complainant responded requesting that the Registrant agree to a transfer of the domain name registration. The Registrant did not reply to this request. The Complainant conducted research to discover more about ML Group and Maher Roz and their possible relation to the disputed domain name.

23. In January, 2011 the Complainant sent a formal request by mail to the Registrant at the contact address registered for the domain name. That letter was returned unclaimed with the notice: “Moved/Unknown”.

24. The Complainant then “. . .conducted searches to find a potential alternative address where the Respondent could be reached. The Complainant found no address related to Dubai, where the Respondent [Maher Roz] may be located but two addresses in Canada.” Letters sent by Complainant to these addresses were also returned as “Unclaimed” and “Moved/Unknown”.

25. In April, 2011 the Complainant sent a formal communication to the Registrant at the e-mail address listed as the contact e-mail address for the Registrant for the registered domain name. That e-mail returned an error message: “*mailbox unavailable*”

26. The Complainant then decided to proceed with this Complaint:

“Taking into account the difficulty of demonstrating what could be said in a discussion by phone, and the orientation given to the negotiations by the Respondents in their last calls . . . , the Complainants chose to

avoid such paperless means so as to protect their rights. Consequently, having no other means to solve this matter, AIR FRANCE – KLM and KLM decided to submit this matter to the Resolution Canada Inc.

H. Onus on Complainant

27. Policy, 4.1 requires that:

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 3.5;

and the Complainant must provide some evidence that:

(c) the Registrant has no legitimate interest in the domain name as described in paragraph 3.4.

[emphases added]

(a) Rights in a Confusingly Similar Mark

(i) Mark in Which Complainant Had and Has Rights

28. The Registrant registered the domain name in dispute, KLM.CA, on November 13, 2000. To succeed, the Complainant must show that it, or its predecessor in title, had Rights in a relevant Mark prior to that date. The Complainant established its standing to file this Complaint under the Canadian Presence requirements as it was the current owner of the trademark KLM registered in the CIPO³. However the date of that registration was October 10, 2009, long after the date of the Registrant's domain name registration.

29. However, Policy 3.2(a) defines "Mark" as including:

a trade-mark, . . . 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 . . . of that person or predecessor from the wares, services or business of another person; [emphasis added]

30. This extends the definition of "Mark" to unregistered, common-law trademarks for which Rights are acquired when such trademarks are used by a business to distinguish its products from the products of competitors and others. In the application to register the trademark KLM in the CIPO, the applicant to register (the predecessor in title of the Complainant) stated that it had used the trademark KLM in Canada at least as early as 1949. The Complaint indicates that the trademark had been used since then to date, first by the Complainant's predecessor in title and later by the Complainant and/or its licensees. Under Policy 3.2(a) that use would establish that the Complainant's predecessor in title to the trademark KLM had Rights in that Mark as of that date, prior to the date of the Registrant's registration of the domain name in 2000.

(ii) Confusingly Similar

31. Policy 3.4 defines "Confusingly Similar":

A domain name is "**Confusingly Similar**" to a Mark if the domain name so nearly resembles the Mark in appearance, sound or the ideas suggested by the Mark as to be likely to be mistaken for the Mark.

³ TMA751512

32. The Complainant's mark is the trademark KLM. The Registrant's domain name is KLM.CA. In assessing confusing similarity the .CA suffix is ignored. The Mark and the domain name are identical. Clearly, the domain name so nearly resembles the Mark as to be likely to be mistaken for the Mark.

(b) Legitimate Interest

33. The Registrant is ML Group. The Complainant has searched Industry Canada, CIPO, and yellowpages.ca databases without finding any listing for any business entity named ML Group. Searches of the Internet via Google and Alta Vista using "ML Group Canada" as a search term did not produce any more relevant result.

34. In December, 2008, in a response to an e-mail addressed to Maher Roz as Administrative and as Technical Contact for the KLM.CA domain name, Maher Roz stated that he was "registered owner of klm.ca". The Panel concludes that "ML Group" is an alias under which Maher Roz registered the domain name. For the purposes of showing a legitimate interest under the Policy, Maher Roz must be treated as the Registrant of the disputed domain name.

35. Policy, 3.6 indicates that a Registrant has a legitimate interest in a domain name "*if and only if*" one of six expressly specified interests can be shown. On the facts of this dispute, five of the six specified interests in Policy 3.6, namely (a),(b),(c),(d) and (f), clearly have no application.

36. Maher Roz, in his December 2008 e-mail to the Complainant stated: "To clarify, K, L & M are the initials of my family members and the site is not intended for commercial activity". This statement could raise the question of whether Maher Roz, as Registrant, had a Legitimate Interest under Policy 3.6(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;

37. The Complaint aptly dismisses any such possible claim in stressing that Policy 3.6(e) requires that the reference claimed to have been incorporated into the domain name by the Registrant must be proved to be one "by which the Registrant was commonly (that is, by a public other than him and his immediate family circle) identified:

in his email dated December 05, 2008, **Mr. Maher Roz** told the Complainants' attorney that: "*K, L & Mare the initials of my family members*". Regardless the truthfulness of this assertion, this does not imply any public recognition of the Respondents or right based on this potential familial acronym. The fact that the letter KLM may have a potential meaning to Mr. **MaHer Roz**'s mind is not sufficient to constitute a legitimate interest.

38. The Complaint notes a case under the UDRP, 4(b)(ii), under which, like Policy, 3.6(e), a legitimate interest in a domain name can be shown if the registrant was "generally known" by the reference incorporated in the domain name:

"See: **NAF CASE 1354104 regarding [AXAMORTGAGE.COM](#)**: "Respondent fails to show that it has some sort of rights in the name. Respondent is not generally known by the name and admits that the AXA

portion of the name is composed of the initials of family members (in other words, the name is a merely a collection of letters with some meaning to Respondent)”.

39. The Panel agrees with the Complainant that this interpretation of UDRP 4(b)(ii) applies equally to the present case under Policy, 3.6(e)

c) Bad Faith

40. Policy 3.7 has a restrictive definition of what can constitute the Registrant’s necessary Bad Faith in registering the domain name. That definition states that there will be Bad Faith, “*if, and only if*” one or more of three specific circumstances obtain. Policy 3.7(a) sets out the following circumstance of defined bad faith:

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, 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;

41. In assessing what was the primary purpose of the Registrant at the time of registration of the domain name two findings should be noted. The Complainant has presented evidence that KLM had become a widely known trademark in the air transportation industry in Canada and elsewhere well before the date of the domain name registration. Further, on the facts of the dispute there was no prior legitimate interest of the Registrant in the content of the domain name.

42. In 2008, the Complainant, having “noticed that the domain name KLM.CA was inactive” contacted the administrative contact for the domain name, Maher Roz, by e-mail. In that e-mail the Complainant stressed its existing trademark rights in the mark KLM, observed that as a result use of the domain name might constitute infringement of the Complainant’s legal rights and invited Maher Roz to contact the Complainant’s representative to arrive at a private and amicable settlement of the matter.

43. Maher Roz replied by e-mail confirming that he was the owner of the domain name registration. He also asserted that “K, L & M are the initials of my family members and the site is not intended for commercial activity”. He went on to give further contact details for use by the Complainant, “[i]f you wish to discuss this matter further”. The Complainant responded to this e-mail, citing again “the very well known trademark that it owns and uses worldwide”, observing that the Complainant did intend to use the domain name for commercial purposes and inviting the Maher Roz to “agree to an immediate transfer of ownership, fair and simple”. Maher Roz did not reply to this invitation.

44. The Complaint relates subsequent events relevant to the issue of bad faith under Policy, 3.7(a):

Then, M. Armand Essiminy, the Financial Director of Air France in Canada, acting on behalf of the Complainants, called Mr. Maher Roz who agreed to assign and transfer the domain name to the Complainants, provided he received a “reasonable” financial incentive to do so. M. Essiminy proposed an amount of 10,000\$ CA in exchange for the domain name transfer. This amount was apparently not sufficient for the Respondents since a few days later, a man who present himself as Mr. Maher Roz’s father, acting on behalf of his son, called Mr. Essiminy to request an amount at least “well over” 100,000\$ CA in exchange of the domain name KLM.CA..

45. These facts led the Complainant to this conclusion about the Registrant's bad faith:

These facts well demonstrate that the Respondent registered the domain name primarily for the purpose of selling that registration to the Complainant for valuable consideration in excess of the Registrant's actual costs in registering the domain name. The fact that the Respondents did not initiate the negotiation is not incompatible with their bad faith. Registering a domain name that is strictly identical to a well-known trademark is indeed a common way to elicit an offer from its legitimate right owner.

46. The Panel agrees that the facts justify a finding that the Registrant's intent in 2008, eight years after the date of the domain name registration, was to sell the domain name registration to the Complainant for a price considerably in excess of the costs incurred in making that registration. However, Policy, 3.7(a) requires that the Registrant have had that intent as a primary purpose at the date of the domain name registration in November, 2000.

47. From the exchange of e-mails in 2008, in which Maher Roz stated that "K, L & M are the initials of my family members", we might infer a claim that this showed a primary purpose other than to sell the registration at a profit to the Complainant trademark owner. Apart from the issues about what probative weight could be given to such a bare statement in this exchange of e-mails, there being no supporting evidence or documentation as might have been provided in a Response, the facts cast doubt on such a claim.

48. From the date of registration to the year 2003, the domain name resolved only to a default pro forma web site created by the domain name Registrar used by the Registrant to obtain the registration. From 2003 to the date of the Complaint the domain name has been inactive and has not resolved to any web site. These facts do not support a claim that Maher Roz registered the domain name primarily for some family-related purpose.

49. The Complaint cites a prior decision under the Policy which this Panel finds an instructive precedent for the present case:

CDRP CASE 00163 regarding ULTIMATEFIGHTINGCHAMPIONSHIPS.CA

"While it is unclear from the email exchange whether the Registrant's profit plan was to be achieved primarily from the proceeds of transfer of the name or by some other means, it is clear that the Registrant was well aware by his own admission of the popularity of UFC brand and trademarks, and of their link to the trademark owner, Zuffa. Perhaps most importantly, it is clear that the Registrant did not use the domain name for any other purpose, posting no content on the site during the three years in which he has held the registration. On balance, then, it appears that the Complainant did register the name primarily for the purpose of transferring the name to Zuffa in excess of actual costs. While the Registrant did not actively seek out the Complainant, that is not always determinative".

50. In this case the domain name registered was identical to a trademark well-known in Canada and internationally in the air travel industry, knowledge of which by the Registrant can reasonably be inferred, there being no Response to rebut such an inference. Further, at the time of registration the Registrant had no legitimate interest in the domain name as defined by the Policy. The Registrant has made no use of the domain name after registration which would support his having some other primary purpose in registration of the domain name. In these circumstances, on the balance of probabilities, it is reasonable to infer that the Registrant's primary purpose in registration (there being no other apparent purpose) was to be able to sell the registration to the Complainant (the obvious potential purchaser being the owner of the well-known trademark) at a profit. This constitutes a finding of Registrant bad faith under Policy, 3.7(a).

DECISION AND ORDER

51. The Complaint succeeds.

52. The Panel orders the ownership of the disputed domain name KLM.CA be transferred to the Complainant AIR FRANCE – KLM .

September 16, 2011

A handwritten signature in black ink, appearing to read "DN Magnusson". The signature is written in a cursive, somewhat stylized font. It is positioned to the right of a vertical line that starts from the date and extends downwards.

Denis N. Magnusson
Sole Panelist