

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

**Complainant:** The Exite Group, Inc. d/b/a Bellapierre Cosmetics, 15155 Stagg Street, Unit A, Van Nuys, California, 91405-1309, U.S.A.

**Complainant Counsel:** Christopher T. Dejardin of Cassan Maclean (Ottawa)

**Registrant:** Zucker International Marketing Inc.

**Registrant Counsel:** Eric Macramalla, Gowling Lafleur Henderson LLP (Ottawa)

**Disputed Domain Name:** bellapierre.ca

**Panelists:** Paul W. Donovan (Chair), Rodney C. Kyle & Timothy C. Bourne

**Service Provider:** Resolution Canada Inc.

**DECISION**

**Panel Majority / Concurring Decision**

1. The decision below is that of the Panel majority (Paul W. Donovan & Timothy C. Bourne). A separate concurring decision from Rodney C. Kyle follows.

**The Parties**

2. The Complainant is The Exite Group, Inc. d/b/a Bellapierre Cosmetics, 15155 Stagg Street, Unit A, Van Nuys, California, 91405-1309, U.S.A.
3. The Complainant is represented by Mr. Christopher T. Dejardin of Cassan Maclean, located at 307 Gilmour Street, Ottawa, Ontario, Canada K2P 0P7.
4. The Registrant is Zucker International Marketing Inc., 1881 Steeles Avenue West, Suite 371, Toronto, Ontario, M3H 0A1
5. The Registrant is represented by Mr. Eric Macramalla of Gowling Lafleur Henderson LLP, 160 Elgin Street, Suite 2600, Ottawa, Ontario, Canada, K1P 1C3.

**The Domain Name and Registrar**

6. The disputed domain name is bellapierre.ca.

7. The Registrar with which the disputed domain name is registered is Canadian Domain Name Services Inc.

### **Procedural History and Rules**

8. The Complainant commenced this proceeding under the Canadian Internet Registration Authority (“CIRA”) Domain Name Dispute Resolution Policy (Version 1.3) (“the Policy”) and the CIRA Domain Name Dispute Resolution Rules (Version 1.4) (“the Rules”) by a complaint dated October 4, 2011.
9. The service provider determined that the complaint was in administrative compliance with the Policy and the Rules and forwarded a copy of the complaint to the Registrant.
10. The Registrant filed a reply dated November 1, 2011. In addition to its reply to the Complaint, the Registrant alleged that the complaint was in violation of paragraph 4.6 of the Policy, namely, that it “was commenced by the Complainant for the purpose of attempting, unfairly and without colour of right, to cancel or obtain a transfer of any Registration which is the subject of the Proceeding”
11. The Complainant replied to the Registrant’s objections, re: paragraph 4.6 of the Policy in a further reply dated November 8, 2011.
12. We note that the Panel majority has the authority to request further evidence or argument from either of the parties pursuant to paragraph 11.1 of the Rules. The Panel majority has decided to not make such a request, since in its view the Complainant’s reply to the Registrant’s objections, re: paragraph 4.6 of the Policy, has, of necessity, addressed the issue of the preliminary objections raised by the Registrant (see below at paragraph 17).
13. The Panel majority finds that it was properly constituted pursuant to the Policy and the Rules, and that all of the requirements under the Policy and the Rules for the commencement and maintenance of this proceeding have been met.

### **Canadian Presence Requirements**

14. The Panel majority finds that the Complainant has met the Canadian Presence Requirements by virtue of the fact that the Complainant is the owner of the trade-mark BELLA PIERRE which is the subject of a registration in Canada under the *Trade-marks Act*, R.S.C. 1985, c. T-13, as amended (specifically, registration number TMA792,100, registered March 3, 2011).

## **The Complaint**

15. Pursuant to paragraph 4.1 of the Policy, to succeed in this proceeding the Complainant must prove, on a balance of probabilities, that:
  - (i) 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
  - (ii) the Registrant has registered the domain name in bad faith as described in paragraph 3.5 of the Policy.
16. The Complainant must also provide some evidence that the Registrant has no legitimate interest in the domain name as described in paragraph 3.4 of the Policy. Even if the Complainant proves (i) and (ii) in paragraph 15 of this decision, above, and provides some evidence that the Registrant has no legitimate interest in the domain name, 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.

## **Preliminary Objections by the Registrant**

17. The Registrant has made a preliminary objection to the complaint that should be considered prior to any analysis under paragraph 4.1 of the Policy. In fact, if the Registrant's submissions are accepted, the complaint would be dismissed at a preliminary level and it would not be necessary to move forward with any analysis pursuant to paragraph 4.1 of the Policy.
18. In brief, the Registrant has alleged that the subject complaint is merely a re-filing of a complaint decided on July 15, 2011 ("the Prior Complaint").

## **The Prior Complaint**

19. As noted by the Registrant in its submissions, there was a Prior Complaint with respect to the same domain name, involving the same parties as Complainant and Registrant.
20. By way of a decision dated July 15, 2011, a three-person panel made the following findings:
  - (i) that the Complainant's BELLA PIERRE trade-mark was registered after the date on which the domain name was registered, and that the Complainant could therefore not rely upon its registration of the BELLA PIERRE trade-mark to establish its Rights in the Mark BELLA PIERRE;

- (ii) that the Complainant did not produce sufficient evidence upon which to make a finding that the unregistered BELLA PIERRE trade-mark was a Mark in which the Complainant had Rights prior to the registration of the domain name.
21. As a result of the above finding, the panel found that the Complainant had not proven, on a balance of probabilities, that it had Rights, as that term was defined by the Policy version 1.2, in the BELLA PIERRE trade-mark prior to the date of registration of the Domain Name. The panel found that it was therefore not necessary or appropriate for them to address any other issues, for example, confusing similarity, bad faith and legitimate interest. The Prior Complaint was therefore unsuccessful.

**Positions of the Parties, re: Preliminary Objection by Registrant**

22. The Registrant takes the position that the Complainant “is barred from filing this second Complaint or taking a second kick at the can after failing the first time”. In particular, the Registrant states that the doctrines of *res judicata* and *functus officio* bar the “re-filed” complaint.
23. The Complainant takes the position that “the present complaint is not a ‘re-filing’ of the first complaint and is not barred by the Policy or by the doctrines of *res judicata* and *functus officio*.”
24. In the Panel majority’s view, there is no doubt that a previous panel has already rendered a decision with respect to the same domain name and the same parties. The Panel majority is therefore left with resolving the issue of whether there are any circumstances under which a Complainant may file a further complaint relating to the same domain name and the same parties.

**Analysis by the Panel majority, re: Preliminary Objection by Registrant**

25. The Panel majority notes that the CDRP Policy and Rules are silent as to the question of whether or not a Complainant can file a further complaint relating to the same domain name and the same parties. However, there are a few paragraphs of the Policy and Rules that may prove to be relevant to the subject proceeding.
26. Paragraph 1.1 of the Policy states that the purpose of the Policy “is to provide a forum in which cases of bad faith registration of domain names registered in the dot-ca country code top level domain name registry operated by CIRA...can be dealt with relatively inexpensively and quickly”.
27. Paragraph 1.7 of the Policy states that the availability of a proceeding pursuant to a policy “will not prevent either the Registrant or the Complainant from submitting a dispute between them to a judicial or administrative

proceeding, arbitration, mediation or any other procedure at any time for independent resolution”.

28. Under limited circumstances, the Policy does empower a panel to *amend* its decision: “The Panel may amend a decision pursuant to the Resolution Rules. The Panel shall be wholly responsible for the accuracy of the decision, the *corrigendum*, and any references therein. CIRA is not responsible for the decision and, if applicable, the *corrigendum*, and CIRA will not make any amendments to the decision.” (paragraph 4.2 of the Policy).
29. In the Panel majority’s view, the Policy and the Rules do not expressly *permit* the filing of a further complaint for the same domain name and the same parties, however, equally the Policy and the Rules do not expressly *prohibit* the filing of a further complainant for the same domain name and the same parties. The Panel majority is not aware of any decision involving CDRP Policy and Rules which address the issue of whether or not a further complaint can be made with respect to the same domain name and the same parties.
30. Under paragraph 12.1 of the Rules “a Panel shall render a decision in a Proceeding on the basis of the evidence and argument submitted and in accordance with the Policy, the Resolution Rules and any rules and principles of the laws of Ontario, or, if the Registrant is domiciled in Quebec, the laws of Quebec, or, if a preference of laws of another province or territory has been indicated by both parties, the laws of the other province or territory and, in any event, the laws of Canada applicable therein”.
31. Since the Registrant is not domiciled in Quebec and since the parties have not indicated a preference for the laws of another province or territory, the Panel majority is of the view that it must render its decision in accordance with the Policy, the Rules, and any rules and principles of the laws of Ontario and the laws of Canada applicable therein.
32. The Panel majority can make one of the three decisions with respect to the issue of whether a complainant can file a further complaint for the same domain name and the same parties:
  - (i) a further complaint for the same domain name and the same parties can **always** be permitted;
  - (ii) a further complaint for the same domain name and the same parties can **never** be permitted;
  - (iii) a further complaint for the same domain name and the same parties can **sometimes** be permitted.

33. Based on our review of the Policy and the Rules, and of the applicable laws of Ontario and Canada, the Panel majority is of the view that it would not be prudent to state that a further complaint for the same domain name and the same parties can *always* be permitted. In our view, to allow for unlimited re-filing of complaints involving the same domain name and the same parties would be contrary to the objectives of the Policy and Rules, which are meant to deal with bad faith registration of domain names in an inexpensive and quick matter. In our view, a complainant cannot be said to be able to proceed with a further complaint for the same domain name and the same parties *as of right*.
34. Similarly, in our view, to state that a complainant may *never* be permitted to proceed with a further complaint is equally problematic. We note that the Policy and the Rules do not expressly prohibit such a complaint. We also note that there may very well be certain limited circumstances under which it may be appropriate and fair for a complainant to be able to file a further complaint involving the same domain name and the same parties. In our view, a complainant cannot be said to be prohibited from ever proceeding with a further complaint with respect to the same domain name and the same parties.
35. The Panel majority is of the view that a further complaint for the same domain name and the same parties can *sometimes* be permitted. To this end, we note that there are a number of UDRP decisions that address this very issue, and some of these cases have proposed examples of certain limited circumstances under which the complainant may be allowed to proceed with a further complaint for the same domain name and the same parties. For the purposes of the subject proceeding, it is not necessary to comment on the examples proposed in these UDRP decisions and / or to provide a list (exhaustive or non-exhaustive) of particular circumstances under which a further complaint for the same domain name and the same parties may be permitted.
36. In the subject proceeding, the Complainant has suggested that it relies on new acts which have occurred subsequent to the issuance of the decision in the original complainant “namely, CIRA implemented a revised CDRP Policy and Rules effective August 22, 2011. The revised Policy removed the provision relating to “Rights” and “Use” of a mark, rendered non-exhaustive the factors to be considered in assessing bad faith and legitimate interest and included an additional bad faith factor of use of the domain name for commercial gain”.
37. The Panel majority takes notice of the fact that the Rules and Policy were in fact amended effective August 22, 2011. The Panel majority also takes notice of the fact that the effective date would be subsequent to the Prior Complaint (decision rendered July 15, 2011) and prior to the filing of the subject complaint.

38. The Panel majority finds that the changes to the Policy and Rules (effective August 22, 2011) were fairly significant. As noted by the Complainant, the definitions of some key terms such as “Bad Faith” and “Legitimate Interest” were amended, and the definition of “Rights” was deleted entirely.
39. In our view, a complainant must do more than show that changes to the Policy and Rules were made. If this were the only burden on a complainant, this would mean that a panel would have to accept a further complaint for the same domain name and the same parties *for every CDRP decision prior to August 22, 2011 as of right*. Such a position is inconsistent with the purpose of the Policy and Rules and with the demand for some finality in such matters.
40. In the Panel majority’s view, in order for a panel to permit a further complaint with the same domain name and the same parties, it must be satisfied that not only have amendments been made to the Policy and the Rules (which the Panel majority accepts is the case) *but also that the amendments made to the Policy or Rules would have a material impact on the outcome of the then pending proceedings*.
41. This approach would permit such complaints where the Panel is of the view that the amended Policy or Rules would have a material impact on the outcome of the then pending proceedings, and would reject such complaints where the Panel is of the view that the amended Policy or Rules would **not** have a material impact on the outcome of the then pending proceedings.
42. We believe that this approach properly addresses the need for finality with the flexibility to allow further complaints for the same domain name and the same parties in limited circumstances. For greater certainty then, the Panel majority finds that the Complainant is allowed to proceed with this complaint if there are amendments to the Policy and / or the Rules since the Prior Complaint, and if the application of the amended Policy or Rules would have a material impact on the outcome of the subject proceedings.
43. There may very well be other reasons for which such further complaints for the same domain name and the same parties would be allowed but no such other reasons were pleaded by the Complainant in the subject proceedings and we therefore are of the view that it is not necessary or appropriate to enumerate specific further examples where such a complaint should be allowed (or refused). The panel will have to be satisfied in subsequent complaints involving a further complaint for the same domain name and the same parties that there are reasons justifying the further complaint, pursuant to the Policy and Rules and to the laws of Ontario and Canada, as applicable.
44. In the subject proceeding, the Panel majority is of the view that the application of the amended Policy or Rules would have a material impact on the outcome of the subject proceedings. Specifically, the Panel majority notes that in the

version of the Policy relied on by the Complainant in the Prior Complaint (Version 1.2), the term “Rights” was defined exhaustively as follows:

3.3 Rights. 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.

45. The Complainant’s Prior Complaint was dismissed because it failed to establish that it had Rights in the Mark BELLA PIERRE. The panel in the Prior Complaint stated as follows:

“The Panel finds that the Complainant has not met the burden assigned to it under paragraph 4.1(a) of the Policy. In particular, the Complainant has not proven, on a balance of probabilities, that it had **Rights** in the BELLA PIERRE trade-mark prior to the date of registration of the Domain Name” (our emphasis).

46. The new Policy (version 1.3) completely removes the old definition of “Rights”. A complainant would therefore not be restricted to meeting the exhaustive definition of “Rights” as provided for in the old Policy (version 1.2) and could therefore simply establish “rights” in the new Policy (version 1.3). Since “rights” is not a defined term in the new Policy, it would be open to any complainant to put forth evidence showing that it had “rights” in a Mark, regardless of whether or not such evidence would have satisfied the test for “Rights” under the old Policy.
47. The Complainant has in fact alleged that it has rights in the Mark BELLA PIERRE pursuant to the new Policy. In our view, it would be unfair to prevent the Complainant from moving forward with a Complainant relying on “rights” (no definition provided in new Policy) simply because it had previously failed to establish “Rights” (exhaustive definition provided in old Policy). As such, we are of the view that the Complainant should be allowed to proceed with the subject complaint, and we reject the Registrant’s submissions in this regard.
48. The Panel majority is of the view that such a result is not manifestly unfair to the Registrant. We note that pursuant to paragraph 1.8 of the Policy “CIRA



reserves the right to amend the Policy at any time. Any amended Policy will become effective thirty (30) calendar days after the amended Policy is posted on CIRA's website. The version of the Policy in effect at the time a Proceeding is initiated will apply to the Proceeding". This paragraph is **identical** to the previous version of the Policy (Version 1.2) that was in effect for the Prior Complaint.

49. The Registrant therefore is bound by CIRA Policy, *as amended*. In the Panel majority's view, where amendments to the Policy and / or the Rules are made, and where the application of the amended Policy or Rules would have a material impact on the outcome of the then pending proceedings, there is nothing manifestly unfair about subjecting the Registrant to a further complaint involving the same domain name and the same parties. The Registrant has agreed to be bound by any amendments to the Policy and / or the Rules, and if as a result a complainant is able to establish that the application of the amended Policy or Rules would have a material impact on the outcome of the then pending proceedings, then its only fair that a complainant be afforded an opportunity to proceed with a further complaint.
50. In fact, if the Panel majority were to hold that the Complainant is *not* allowed to proceed with this complaint, in our view this would be manifestly unfair to the Complainant. The end result of such a finding would be that the Registrant would be sheltered from the impact of any amendments to the Policy and Rules with respect to the Complainant, who would have no recourse under the CDRP to address any changes that have been incorporated into the new Policy and Rules. Such a result cannot be consistent with the overall purposes of the Policy and Rules, which are to address bad faith registrations in an inexpensive and quick manner.
51. In light of our finding that the subject complaint can proceed, we now move forward with an analysis of the complaint under paragraph 4.1 of the Policy.

**Is the Registrant's dot-ca domain name 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?**

52. The terms "Confusingly Similar" and "Mark" are both specifically defined in the Policy.
53. The Complainant has asserted rights in the following Marks:
  - (i) BELLA PIERRE (TMA792,100) – registered March 3, 2011
  - (ii) BELLA PIERRE (used since August 1, 2006)
  - (iii) BELLA PIERRE COSMETICS (used since August 1, 2006)
  - (iv) BELLA PIERRE COSMETICS & Design (used since August 1, 2006)

54. The Panel majority finds that the trade-mark registration for BELLA PIERRE (TMA792,100) is a Mark as defined in paragraph 3.2(c) of the Policy, which defines a Mark as including “a trade-mark, including the word elements of a design mark, that is registered in CIPO”.
55. However, as was stated in the Prior Complaint: “the Complainant’s BELLA PIERRE trade-mark was registered after the date on which the Domain Name was registered” and as such the Complainant cannot rely upon its registration of the BELLA PIERRE trade-mark to meet its onus.
56. The remaining marks relied on by the Complainant are unregistered marks and there is no suggestion that they are certification marks (paragraph 3.2(b) of the Policy) and / or official marks (paragraph 3.2(d) of the Policy). Therefore, the only subparagraph that the Complainant could possibly comply with is 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”
57. The Complainant has introduced evidence showing wares sold and shipped to customers in Canada prior to October 1, 2006, the date of registration of the disputed domain name, namely:
- (i) invoice no. 1700046ont0011 dated September 5, 2006;
  - (ii) invoice no. 1700046ont0013 dated September 11, 2006;
  - (iii) invoice no. 1262892Albertald0001 dated September 28, 2006
58. Based on a review of the evidence submitted, in the Panel majority’s view the Complainant has established that it had rights in the Mark BELLA PIERRE prior to the date of registration of the domain name and that it continues to have such rights.
59. The Panel majority also finds that the disputed domain name is Confusingly Similar to the Complainant’s BELLA PIERRE Mark. The definition of “Confusingly Similar” is expressed at paragraph 3.3 of the Policy: “In determining whether a domain name is “Confusingly Similar” to a Mark, the Panel shall only consider whether 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”.
60. The Panel majority finds that not only does the domain name “so nearly resemble” the Complainant’s Mark, in fact it is identical. There is no question

that the domain name and the Mark are Confusingly Similar as said term is defined in the Policy.

61. The Panel majority finds that 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 and continues to have such rights, namely, the Complainant's BELLA PIERRE Mark.

**Did the Registrant register the domain name in bad faith?**

62. Under paragraph 3.5 of the Policy, any of the following circumstances, in particular but without limitation, if found by the Panel to be present, shall be evidence that a Registrant has registered a domain name in bad faith:
  - (i) 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 of registering the domain name, or acquiring the Registration;
  - (ii) 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;
  - (iii) 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; or
  - (iv) the Registrant has intentionally attempted to attract, for commercial gain, Internet users to the Registrant's website or other on-line location, by creating a likelihood of confusion with the Complainant's Mark as to the source, sponsorship, affiliation, or endorsement of the Registrant's website or location or of a product or service on the Registrant's website or location.
63. The Complainant has only alleged bad faith pursuant to (i) and (iv), above, which correspond to paragraphs 3.5(a) and (d) respectively. Each of these subparagraphs will be analyzed in turn.

### Paragraph 3.5(a) Bad Faith

64. As noted above, paragraph 3.5(a) of the Policy states that the Registrant will be considered to have registered the domain name in bad faith if 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 of registering the domain name, or acquiring the Registration.

65. The Complainant has introduced evidence showing that the Registrant has offered to transfer the disputed domain name back to the Complainant in exchange for a two-year distribution agreement. Specifically, the email (dated March 24, 2010) from the Registrant to the Complainant states as follows:

"Hi Rick,

This is to confirm our phone conversation from yesterday (sic) in regards to resuming business (sic) between us –

Zucker Intrl Marketing Inc is willing to transfer (sic) the domain name BellaPierre.Ca to you immediately (sic) in return to a distributor (sic) agreement effective for the next 2 years without prejudice (sic) which carry out the same price list that was effective prior to this dispute

Regards,  
Eran Zucker  
Zucker Intrl Marketing Inc  
1881 Steeles Av w  
Toronto, On, M3h0a1"

66. The Complainant alleges that the Registrant has presented an offer to transfer the disputed domain name to the Complainant in exchange for a distributorship agreement with the Complainant at a favourable rate, and according to the Complainant: "Such a distributorship agreement would have allowed the Registrant to realize a profit from the sale of the Complainant's products which would have provided the Registrant with valuable consideration far in excess of its actual costs in registering the Disputed Domain Name".

67. The Registrant's entire submissions with respect to bad faith are as follows: "The Complainant has also failed to establish that the Domain Name was registered in bad faith. The Registrant did not, in any way, target the Complainant when it registered the Domain Name. The Domain Name was registered with a view to using it in association with the lawful sale of the

Complainant's products (and no other products). If the Complainant has become disenchanted with the arrangement, it cannot now seek to argue that the Domain Name registration is not illegitimate, and further, somehow retroactively allege bad faith".

68. The Panel majority is of the view that the Complainant has **not** met its burden with respect to paragraph 3.5(a) of the Policy. In the Panel majority's view, there is no doubt that the Registrant has made an offer to transfer the disputed domain name to the Complainant at an amount in excess of the Registrant's actual costs of registering the domain name, or acquiring the Registration. While it may be difficult to quantify the "value" of a two-year distribution agreement with the Complainant, based on the evidence submitted by the Complainant regarding its sales in Canada, we have no doubt that the value would be greater than the Registrant's actual costs of registering the domain name, or acquiring the Registration.
69. However, we do note that the email from the Registrant is dated March 24, 2010 and that the Complainant is required to establish bad faith pursuant to paragraph 3.5(a) as of the date that the Registrant registered the domain name, namely, October 1, 2006. Since providing direct evidence of a Registrant's bad faith would place a difficult if not impossible burden on the Complainant, previous decisions under the Policy have held that the panel is empowered to consider the surrounding circumstances and to draw inferences. The Registrant has noted in its reply that it registered the disputed domain name "with a view to using it in association with the lawful sale of the Complainant's products (and no other products)".
70. Based on the evidence before us and the submissions by both parties, the Panel majority cannot find that the **primary** purpose of the Registrant registering the domain name was for the purpose of selling, renting, licensing or otherwise transferring the registration to the Complainant. Presumably, if this was the primary purpose of the Registrant, it would have made such an offer to the Complainant around that time that it initially registered the disputed domain name. The Panel majority has great difficulty in assessing the bad faith of the Registrant as of October 1, 2006, on the basis of an email sent March 24, 2010. Under the circumstances, the Complainant has not met its burden of proving, on a balance of probabilities, that the primary purpose of the Registrant in registering the disputed domain name was for the purpose of selling, renting, licensing or otherwise transferring the registration to the Complainant, for valuable consideration in excess of the Registrant's actual costs of registering the domain name, or acquiring the registration.

#### **Paragraph 3.5(d) Bad Faith**

71. The Complainant has also raised an allegation of bad faith pursuant to paragraph 3.5(d) of the Policy. As noted above, paragraph 3.5(d) of the

Policy states that bad faith will be found where: “the Registrant has intentionally attempted to attract, for commercial gain, Internet users to the Registrant’s website or other on-line location, by creating a likelihood of confusion with the Complainant’s Mark as to the source, sponsorship, affiliation, or endorsement of the Registrant’s website or location or of a product or service on the Registrant’s website or location”.

72. The Complainant’s submissions on paragraph 3.5(d) of the Policy state as follows:

“As concerns the allegations of bad faith pursuant to paragraph 3.5(d), the evidence clearly establishes that, through the ongoing use of the domain name to link to the Registrant’s Website, the Registrant has intentionally attempted to attract and has actually attracted, for commercial gain, Internet users to the Registrant’s Website, by creating a likelihood of confusion with the Complainant’s mark.

More particularly:

- The Registrant’s Website offers for sale cosmetics and cosmetics accessories bearing the Complainant’s Trade-Marks, and includes photographs of the Complainant’s packaging;
- The Registrant’s Website blatantly copies proprietary material, namely reading matter and photographs, from the Complainant’s legitimate retail website; and
- The Registrant has removed from its website any references to the Complainant as to the source of the products sold under the Complainant’s Trade-Marks and has concealed and / or deliberately mislead visitors to its website as to the source of said products”

73. The introductory words to paragraph 3.5(d) of the Policy clearly state that “any of the following circumstances, in particular but without limitation, if found by the Panel majority to be present, shall be evidence that the Registrant has registered a domain name in bad faith”.

74. Unlike subparagraphs 3.5 (a) to (c), which all require the Panel to consider certain behaviour of the Registrant *at the time the Registrant registered the domain name*, subparagraph (d) has no such timing limitation. If the Registrant has engaged in the behaviour referenced in subparagraph (d), then pursuant to paragraph 3.5 of the Policy this “shall be evidence that a Registrant has registered a domain name in bad faith”, even if that behaviour occurs subsequent to the actual domain name registration.

75. In our view, this interpretation makes sense as it would be very difficult, if not impossible, to establish such behaviour at the time that the Registrant registered the disputed domain name. In order for the Registrant to intentionally attempt to “attract Internet users to the Registrant’s website or other on-line location, by creating a likelihood of confusion with the Complainant’s Mark as to the source, sponsorship, affiliation, or endorsement of the Registrant’s website or location or of a product or service on the Registrant’s website or location”, it would have to create some likelihood of confusion on the Registrant’s website – which would necessarily involve not just registering the domain name, but actually developing a website with the offending behaviour.
76. The Panel majority finds that subparagraph (d) therefore explicitly permits consideration of the Registrant’s conduct *after* the disputed domain name has been registered as a means to determine if the Registrant has *registered* the disputed domain name in bad faith.
77. The Panel majority is of the view that the Complainant has met its burden with respect to paragraph 3.5(d) of the Policy. In the Panel majority’s view, there is no doubt that the Registrant “has intentionally attempted to attract, for commercial gain, Internet users to the Registrant’s website or other on-line location, by creating a likelihood of confusion with the Complainant’s Mark as to the source, sponsorship, affiliation, or endorsement of the Registrant’s website or location or of a product or service on the Registrant’s website or location”. Relevant to this consideration is the fact that the Registrant’s website contains the following notice: “WARNING. THIS IS THE OFFICIAL SITE OF BELLAPIERRE CANADA. ALL OTHER SITES DO NOT ASSOCIATE WITH BELLAPIERRE COSMETICS. THE OTHER SITES SELL COUNTERFEIT PRODUCTS”. Although the Complainant is not required to show evidence of actual confusion, the Panel majority finds the Complainant’s evidence with respect to actual confusion very relevant in assessing the likelihood of confusion as a result of the manner in which the Registrant is operating its website.
78. Based on the evidence before us and the submissions by both parties, the Panel majority finds that the Complainant has established, on a balance of probabilities, that the Registrant has registered the domain name in bad faith pursuant to paragraph 3.5(d).

**Does the Registrant have a legitimate interest in the disputed domain name?**

79. Paragraph 3.4 of the Policy provides a non-exhaustive list of various criteria that a panel is to consider in assessing legitimate interest. The Policy requires

that the Complainant must provide some evidence that the Registrant has no legitimate interest in the domain name as described in paragraph 3.4. If the Complainant meets this burden, the Registrant will still succeed in the proceeding if it proves on a balance of probabilities that it has a legitimate interest in the disputed domain name.

80. Based on a review of the evidence and submissions, the Panel majority is of the view that the Complainant has met its initial burden of providing *some* evidence that the Registrant has no legitimate interest in the domain name as described in paragraph 3.4. In particular, the Complainant has provided some evidence that the disputed domain name was not a Mark that the Registrant used in good faith and that the Registrant had rights in the Mark. The Complainant showed that it owns a Canadian trade-mark registration for BELLA PIERRE, which would entitle the Complainant to the exclusive use of the trade-mark in Canada in association with the listed goods. The Complainant has also met its burden in showing that the domain name is not “clearly descriptive” or a “generic name”, that the Registrant did not use the domain name in good faith in association with a non-commercial activity (in fact it was used in association with a **bad faith commercial activity** as per the Panel majority’s analysis, re: paragraph 3.5(d) above). Finally, the Complainant has met its burden in showing that the domain name is not the legal name of the Registrant or some other name by which it was commonly identified, nor was the domain name the geographic name of the location of the Registrant’s non-commercial activity or business.
81. As a result, the Panel majority finds that the Complainant has met its burden of showing *some* evidence that the Registrant had no legitimate interest in the disputed domain name under this subparagraph. The Panel majority is of the opinion that this finding is sufficient for the Complainant to meet its burden pursuant to paragraph 4.1(c) of the Policy.

**Burden shifts to Registrant to prove Legitimate Interest on a balance of probabilities**

82. Since the Complainant has met its burden pursuant to paragraph 4.1(c) of the Policy, the Registrant can only succeed in this proceeding if the Registrant proves, on a balance of probabilities, that the Registrant has a legitimate interest in the domain name.

**Analysis – Legitimate Interest of Registrant**

83. The Registrant does not make any suggestion that the Registrant has a legitimate interest in the disputed domain name with respect to any of



subparagraphs (b) to (f). The only issue to therefore be resolved is whether the Registrant has a legitimate interest in the disputed domain name pursuant to paragraph 3.4(a) of the Policy, namely: “the domain name was a Mark, the Registrant used the Mark in good faith and the Registrant had rights in the Mark”.

84. The Registrant takes the position that it has a legitimate interest in the disputed domain name. The Registrant’s submissions state that “a reseller, be it authorized or unauthorized, can make *bona fide* use of the disputed domain name if it is selling the Complainant’s products through its website, and not other competitor products”.
85. With respect to the Registrant’s position, it is the Panel majority’s view that the Registrant is not able to establish a legitimate interest pursuant to paragraph 3.4(a) of the Policy. The Panel majority has already established that the Registrant’s use of the mark is in bad faith pursuant to paragraph 3.5(d) of the Policy. Further, the Registrant has no rights in the Mark. The Complainant is the owner of the Canadian registered trade-mark BELLA PIERRE and has the exclusive right to use that mark in Canada in association with the goods & services listed on its registration. In our view, the Registrant is using the Complainant’s Mark in bad faith, rather than its own Mark in good faith.
86. The Panel majority is of the opinion that it is unable to find, on a balance of probabilities, that the Registrant has a legitimate interest in the disputed domain name pursuant to paragraph 3.4 of the Policy.

#### **Alleged Bad Faith of Complainant**

87. As noted previously, the Registrant has also alleged that the complaint was commenced by the Complainant “unfairly and without colour of right” as per paragraph 4.6 of the Policy. In light of the fact that the Complainant has been successful in this proceeding, the Registrants claim for costs pursuant to paragraph 4.6 is refused. Clearly, the complaint was not commenced unfairly and without colour of right in light of the fact that the Complainant has been successful in its complaint.

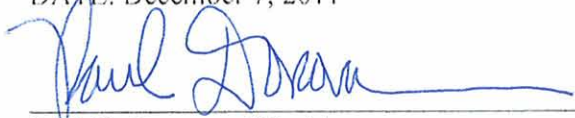
#### **Summary of Findings**

88. The Panel majority has found that the Complainant has proven, on a balance of probabilities, that the disputed 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 that the Registrant has registered the disputed domain name in bad faith as such term is described in paragraph 3.5 of the Policy. Further, the Panel majority finds that the Complainant has provided some evidence that the Registrant has no legitimate

interest in the disputed domain name, as that term is defined in paragraph 3.4 of the Policy, and that the Registrant has failed to meet its burden of proving, on a balance of probabilities, that it has a legitimate interest in the disputed domain name.

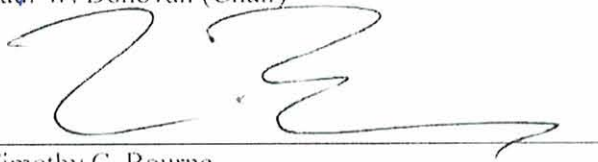
89. Further, the Registrant's claim for costs pursuant to paragraph 4.6 of the Policy is refused.
90. As a result of the above findings, the Panel majority orders that the disputed domain name www.bellapierre.com be transferred from the Registrant to the Complainant.

DATE: December 7, 2011



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Paul W. Donovan (Chair)



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Timothy C. Bourne

## PANELLIST RODNEY C. KYLE'S CONCURRING DECISION

### SUMMARY AND OVERVIEW

This concurring decision is mainly to show the following: I am of the view that the Panel majority has wrongly formulated and applied a procedural test as to whether or not to decide the Complaint on its merits, and more particularly as to dealing with the Registrant's contentions of *functus officio* and *res judicata*. More particularly, it seems to me that there are two problems with the Panel majority's starting position leading to one of the Panel's unanimous procedural disposition points (i.e. the procedural disposition point that neither *functus officio* nor *res judicata* avails the Registrant). One problem is that in response to a Response contention of *functus officio* the Panel majority's test has apparently produced no answer or at least no answer consistent with the Panel majority's stated reasons regarding *res judicata*. The other problem is that in response to a Response contention of *res judicata* the answer produced by the Panel majority's test is apparently serendipitous, i.e. an apparently right answer for apparently wrong reasons.

The Panel majority and I apparently differ as to at least two or more points. One of those two or more points apparently is whether either or both of *functus officio* and *res judicata* can avail the Registrant. Another of those two or more points apparently is whether there is a threshold test for *res judicata* and, if so, then whether that threshold test has been met by the Registrant.

That said, there are three things in which I concur:

- (i) the Panel majority's *disposition of the Proceeding*, in so far as the Panel majority's disposition of the Proceeding is that the Complainant succeeds in the Proceeding and in so far as the Panel majority's disposition of the Proceeding results from applying what I understand is the Panel majority's procedural disposition and what I understand is the Panel majority's substantive disposition;
- (ii) what I understand is the Panel majority's *procedural disposition* and largely what I understand are in effect the Panel majority's stated reasons for three of the four points that are in the Panel majority's procedural disposition; and
- (iii) what I understand is the Panel majority's *substantive disposition* and what I understand are in effect the Panel majority's stated reasons for the Panel majority's substantive disposition.

### WHAT I UNDERSTAND IS THE PANEL MAJORITY'S PROCEDURAL DISPOSITION

What I understand is the Panel majority's procedural disposition is that

- (i) the Complainant satisfied the Policy ¶ 1.4 requirement as to being eligible to initiate the Proceeding;
- (ii) the Complainant satisfied the Policy ¶ 2.1 requirement as to initiating the Proceeding;
- (iii) the Registrant was required to submit to the Proceeding in that the Complaint complies with Policy ¶ 3.1; and
- (iv) neither *functus officio* nor *res judicata* avails the Registrant.

### WHAT I UNDERSTAND IS THE PANEL MAJORITY'S SUBSTANTIVE DISPOSITION

What I understand is the Panel majority's substantive disposition is that the requirements of Policy ¶ 4.1 are satisfied.

WHAT I UNDERSTAND ARE IN EFFECT THE PANEL MAJORITY'S STATED REASONS

#### **For the Panel Majority's Disposition of the Proceeding**

What I understand are in effect the Panel majority's stated reasons for the Panel majority's disposition of the Proceeding are the following:

- (i) the Panel is to ascertain evidential facts and ascertain facts dispositive of legal relations, and is to do so in accordance with the applicable law (and the applicable dispute resolution agreement as construed in accordance with the applicable law) and in view of the contentions of fact and the contentions of law between the Complainant and the Registrant which result from the submission of the Complaint to the Provider and from the timely submission of the Response;
- (ii) what I understand is the Panel majority's procedural disposition and what I understand is the Panel majority's substantive disposition, result from applying point "i" of this paragraph; and
- (iii) in view of what I understand is the Panel majority's procedural disposition and what I understand is the Panel majority's substantive disposition, the Complainant succeeds in the Proceeding.

#### **For the Panel Majority's Substantive Disposition**

What I understand are in effect the Panel majority's stated reasons for the Panel majority's substantive disposition need not be referred to by me other than for me to state, as I do by this paragraph, that I concur in those stated reasons *per se*.

#### **For the Panel Majority's Procedural Disposition**

What I understand are in effect the Panel majority's stated reasons for the first three of the four points of the Panel majority's procedural disposition need not be referred to at length by me as I largely concur in those stated reasons. That said,

- (i) as to the Complainant having satisfied Policy ¶ 1.4, 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— as to "relates to" see the unanimous three-reason view in *House of Blues Brands Corp. v. Artbravo Inc.*, DCA-893-CIRA at page 25 (still current on all three of those reasons since the reference there to nominees was merely regarding what the then extant version of the Policy made clear), and in this instance the Complaint relates to a trade-mark registered in CIPO in that the Complaint-contended CIPO-registered trade-mark is as to at least one of the marks that are the Complaint-contended common-law trademarks; and
- (ii) as to Policy ¶ 1.4 as well as to the Complainant having satisfied the Policy ¶ 2.1 requirement as to initiating the Proceeding and that the Registrant was required to submit to the Proceeding in that the Complaint complies with Policy ¶ 3.1— despite

Registrant's contentions to the contrary and unlike ICANN's Uniform Domain Name Dispute Resolution Policy (herein "UDRP") and the Rules made by ICANN under the UDRP, neither the Policy nor the Resolution Rules (or any previous version of the Policy or of the Resolution Rules) has expressly or impliedly required actual complainants (or prospective complainants who become actual complainants) to disclose in a complaint that under a version of the Policy a previous complaint between the same parties regarding the same domain name had already been decided.

Regarding Policy ¶¶ 1.4, 2.1 and 3.1, the Panel majority's reasons apparently do not include finding that actual complainants (or prospective complainants who become actual complainants) are required to disclose in a complaint that under a version of the Policy a previous complaint between the same parties regarding the same domain name had already been decided. Indeed, if the Panel majority's stated reasons included such a disclosure requirement, then that should have precluded the Panel majority from moving any farther along its procedural disposition analysis than finding that the Complainant did not satisfy Policy ¶ 1.4.

Also, what I understand are in effect the Panel majority's stated reasons for the first three of the four points of the Panel majority's procedural disposition bear on at least the fourth of those four points (i.e. the point that neither *functus officio* nor *res judicata* avails the Registrant) and they do so in at least the sense of whether the Panel majority's stated reasons regarding all four of those points are consistent with one another and with the Panel's unanimous view that there are no implied dispute resolution agreement provisions between the Complainant and the Registrant. More particularly, the Panel majority's stated reasons for the first three of the four points of the Panel majority's procedural disposition are to the effect that there are no implied dispute resolution agreement provisions between the Complainant and the Registrant, but it seems to me that the Panel majority's stated reasons for the fourth of those four points is inconsistent with there being no implied dispute resolution agreement provisions between the Complainant and the Registrant. I am of the view that there is such inconsistency because it seems to me that the Panel majority's stated reasons for the fourth of those four points amount to formulating and applying such an implied agreement provision rather than applying the applicable law of *functus officio* and *res judicata*.

More particularly, as for what I understand is in effect the Panel's unanimous procedural disposition that neither *functus officio* nor *res judicata* avails the Registrant, there are four components to that disposition: the applicable dispute resolution agreement; the applicable law; the contentions of fact and the contentions of law between the Complainant and the Registrant which result from the submission of the Complaint to the Provider and from the timely submission of the Response; and that the Panel is to ascertain evidential facts and ascertain facts dispositive of legal relations, and do so in accordance with the first two of those four components and in view of the third of those four components.

As for the applicable dispute resolution agreement, I believe the Panel is unanimous that

- (i) it is the domain name dispute resolution agreement between the Complainant and the Registrant which resulted from the submission of the Complaint to the Provider (herein the "Domain Name Dispute Resolution Agreement"); and
- (ii) it consists of CIRA Dispute Resolution Policy Version 1.3 (effective 22 August 2011, herein the "Policy"), CIRA Dispute Resolution Rules Version 1.4 (effective 22 August

2011, herein the “Resolution Rules”), and CIRA’s Canadian Presence Requirements For Registrants Version 1.3 (herein the “CPR”), all of which are incorporated by reference directly or indirectly into the Registrant’s domain name registration agreement, because the Proceeding was initiated after 22 August 2011 and

- (a) individually or collectively, Policy ¶¶ 1.8, 1.3, 1.4, 1.5, and 2.1 and Resolution Rules ¶ 1.2 expressly provide that
  - (1) the version of either or both of the Policy and the Resolution Rules applicable to a proceeding is the version in effect at the time a complaint is submitted to a CIRA provider by a complainant in accordance with the Resolution Rules,
  - (2) only CIRA may amend each of the Policy and the Resolution Rules and CIRA may do so at any time and any amended version thereof will become effective thirty calendar days after the amended version is posted on CIRA’s website, and
  - (3) the Resolution Rules may not be amended or waived in a Proceeding without the expressed prior written approval of CIRA,
- (b) the applicability of the previous versions of the Policy and of the Resolution Rules (herein the “Previous Versions”), and their susceptibility to similar CIRA-unilateral amendment and non-waiver, was provided for by like-numbered paragraphs in the Previous Versions,
- (c) a proceeding between the Complainant and the Registrant regarding the same domain name registration was initiated on 10 May 2011 and decided on 15 July 2011 (herein the “Previous Proceeding”),
- (d) the Previous Versions, and the CPR version, in effect on 10 May 2011 when the Previous Proceeding was initiated by the Complainant had provisions exactly analogous to those set out in point “a” of this paragraph and resulted in a previous domain name dispute resolution agreement between the Complainant and the Registrant (herein the “Previous Domain Name Dispute Resolution Agreement), and
- (e) neither the Previous Domain Name Dispute Resolution Agreement nor the Domain Name Dispute Resolution Agreement includes one or more expressed provisions precluding either the latter of those agreements or the Proceeding.

As for the applicable law, I believe the Panel is unanimous that

- (i) the law applicable (i.e. to the Previous Domain Name Dispute Resolution Agreement, the Previous Proceeding, the Domain Name Dispute Resolution Agreement, and the Proceeding), is the laws of Ontario and the laws of Canada applicable in Ontario—each version of Resolution Rules ¶ 12.1 together with the Registrant’s domicile being Ontario and no preference for the laws of another province or territory having been indicated by both parties; and
- (ii) the laws of Ontario and the laws of Canada applicable in Ontario
  - (a) do not result in either the Previous Domain Name Dispute Resolution Agreement or the Domain Name Dispute Resolution Agreement including one or more implied provisions at all, let alone one or more implied provisions precluding either the latter of those agreements or the Proceeding and
  - (b) include *functus officio* and *res judicata*.

Also, I would take as a guiding principle regarding interpretation, construction, and application of the Domain Name Dispute Resolution Agreement, that *Haylock et al v. Norwegian Cruise Lines Limited et al.*, 2003 FC 932 at paragraph 10 thereof indicates that so long as the Panel “does not act in a manner contrary to express provisions of the Rules, one should keep in mind that, ‘as a general principle, the Rules of procedure should be a servant of substantive rights and not the master’: *Reekie v. Messervey*, [1990] 1 S.C.R. 219 at 222.”

As for the applicable law, I believe the Panel is also unanimous (although the Panel majority’s expressed reasons do not state) that

- (i) *functus officio* is a judge-made doctrine of law, which
  - (a) if it applies to particular circumstances, apparently applies to those circumstances by operation of law— *R. v. Malicia*, 2006 CanLII 31804 (ON CA),
  - (b) has as its rationale to “allow finality of judgments from courts which are subject to appeal”— *Malicia* cited above, at paragraph 13 thereof (citing and quoting *Doucet-Boudreau v. Nova Scotia (Minister of Education)*, [2003] 3 S.C.R. 3 paragraph 79, which cites *Reekie v. Messervey*, [1990] 1 S.C.R. 219, pages 222 to 223)— or at least “provide finality to the rendering of decisions”— *Muscillo Transport Ltd. v. Ontario (Licence Suspension Appeal Board)*, 1997 CanLII 12317 (ON SC) at paragraph 19 thereof,
  - (c) applies to “an agent who has performed his task and exhausted his authority and of an arbitrator or judge to whom further resort is incompetent, his function being exhausted”— *Malicia* cited above, at paragraph 13 thereof (citing and quoting *Doucet-Boudreau v. Nova Scotia (Minister of Education)*, [2003] 3 S.C.R. 3 paragraph 77, which quotes the *Oxford Companion to Law* (1980), page 508),
  - (d) is to the effect “that a decision-maker may not re-open a matter once he or she has made a final decision respecting that matter”— *Canada Post Corporation v. Canadian Union of Postal Workers*, 2008 CanLII 32313 (ON SCDC) at paragraph 14 thereof, and, at paragraphs 15 to 16 thereof, citing and describing *Chandler v. Alberta Association of Architects*, [1989] 2 S.C.R. 848 as the leading case in Canada regarding the applicability of *functus officio* to administrative tribunals and as recognizing in that context that an exception to the doctrine is if an error renders a decision a nullity requiring that the administrative tribunal start afresh, since a denial of natural justice can vitiate the whole proceeding and render it a nullity, and
  - (e) recognizes that “[a]lthough ... an adjudicator, be it an arbitrator, administrative tribunal or a court, cannot, once it has reached its decision, alter its award afterwards, it may do so to correct clerical mistakes or errors arising from an accidental slip or omission”— *Muscillo* cited above at paragraph 18 thereof— and that the exceptions to it do not include that “the tribunal has changed its mind, made an error within jurisdiction or because there has been a change of circumstances”— *Jacobs Catalytic Ltd. v. International Brotherhood of Electrical Workers, Local 353*, 2009 ONCA 749 (CanLII) at paragraph 32 thereof, citing and quoting from *Chandler* cited above; and
- (ii) *res judicata* is a judge-made doctrine of law, which
  - (a) does “not stay proceedings automatically; a judicial determination is required”—

*United Laboratories Inc. v. Abraham*, 2002 CanLII 17847 (ON SC) at paragraph 34 thereof and apparently affirmed in that regard on appeal, *United Laboratories Inc. v. Abraham*, 2004 CanLII 4009 (ON CA) at paragraph 7 thereof,

- (b) has as its rationale, to “[prevent] the unnecessary wastage of scarce judicial and quasi-judicial resources and of the litigants’ time and effort inherent in a duplication of proceedings. It also seeks to avoid the danger and failure of public confidence engendered by conflicting findings on identical issues”— *Robertson v. Gam*, 1997 CanLII 12136 (ON SC) at paragraph 20 thereof,
- (c) is comprised of and operates by the application of doctrines of “two different types of estoppel both of which are incidental to judgments. Issue estoppel forecloses re-litigation of matters that have already been decided expressly or implicitly. Cause of action estoppel forecloses litigation of matters that have not been decided but should have been asserted in prior litigation”— *SLM Soft.com Inc. v. FirstOntario Credit Union Ltd.*, 2002 CanLII 9293 (ON SC) at paragraph 32 thereof— and to similar effect see *Robertson v. Gam* cited above, at paragraph 18 thereof quoting from *Reddy v. Oshawa Flying Club* (1992), 11 C.P.C. (3d) 154 (Ont. Gen. Div.) page 158 and citing, at paragraph 19 thereof the Court of Appeal decision in *Upper v. Upper*, [1933] O.R. 1, [1933] 1 D.L.R. 244 as being to the effect of “emphasizing that the plea of *res judicata* presumes that parties to litigation are to bring forward their whole case. It applies to points which the parties expressly put before the court for judgment as well as all other points which belonged to that case and which, by reasonable diligence, might have been brought forward”,
- (d) requires that as the threshold test for the doctrine to apply
  - (i) the same question or issue has been decided,
  - (ii) the decision was judicial and final, and
  - (iii) the parties to the judicial decision or their privies were the same persons as the parties to the proceedings in which the estoppel is raised—see e.g. *Mendlowitz v. Chiang (Res Judicata)*, 2011 ONSC 1989 (CanLII) at paragraph 5 thereof and *Ontario (Human Rights Commission) v. Naraine*, 2001 CanLII 21234 (ON CA), and, especially as to whether and in what sense decisions are judicial and final, *Danyluk v. Ainsworth Technologies Inc.*, 2001 SCC 44 (CanLII),
- (e) requires that even if the threshold test requirements for it are met, whether in turn it ought or ought not to be applied involves exercising discretion as to effecting a balance between finality and fairness in the litigation process— see e.g. *Mendlowitz* cited above at paragraph 3 thereof,
- (f) can be inapplicable in instances of “special circumstances” such as changes of law or the availability of further relevant material— *Smith Estate v. National Money Mart Company*, 2008 CanLII 27479 (ON SC) from paragraph 170 thereof onwards, and the appeal from that decision, *Smith Estate v. National Money Mart Company*, 2008 ONCA 746 (CanLII) at paragraph 28 thereof and from paragraph 32 thereof onwards, and



- (g) in deciding whether “the same question or issue has been decided”, includes from *Champaign v. Co-Operators*, 2008 CanLII 43578 (ON SC) at paragraph 11 thereof that “there are three main considerations:
- (i) Whether the question decided in the first proceeding was fundamental to the decision in the first proceeding;
  - (ii) Whether the question decided in the first proceeding included all subject matter encompassing the question, either explicitly or by necessary legal implication; [and]
  - (iii) That the estoppel extends to the issues of fact, law and mixed fact and law that are necessarily bound up with the determination of that issue in the prior proceeding” and
- (h) includes in general, rather than only as to whether the same question or issue has been decided, that what a court may consider from the other proceeding includes such things as the decision, the pleadings, and the evidence— *Telesat Canada v. Boeing Satellite Systems International, Inc.*, 2010 ONSC 4023 (CanLII) at paragraph 89 thereof— and in that same paragraph that “[t]here is authority that the reviewing court may even look to extrinsic evidence not inconsistent to the record to identify the points litigated and decided. *Barber v. McCuaig* (1900), 31 O.R. 593 (H.C.) at para. 14, *Pirie and Stone v. Parry Sound Lumber Co.* (1908), 11 O.W.R. 11 (Ont. K.B.) 13 O.W.R. 319 (Ont. C.A.), *Re Ontario Sugar Co.* (1910) 22 O.L.R. 621 (H.C.) aff’d (1916) 24 O.L.R. 332 (C.A.) at 337 leave refused 1911 CanLII 8 (SCC), [1911] 44 S.C.R. 659, *Johanesson v. Canadian Pacific R. Co.* (1911) 67 D.L.R. 636 (C.A.).”

As for the contentions of fact and the contentions of law between the Complainant and the Registrant that result from the submission of the Complaint to the Provider and from the timely submission of the Response, I believe that the Panel is unanimous that the pertinent one is as follows: the Response contends that either or both of *functus officio* and *res judicata* avail the Registrant.

However, the Panel majority and I depart from one another at least as early on as when it comes to the fourth point of the Panel’s unanimous procedural disposition, i.e. the procedural disposition point that neither *functus officio* nor *res judicata* avails the Registrant. That departure is as to ascertaining evidential facts and ascertaining facts dispositive of legal relations in accordance with the applicable law (and the applicable dispute resolution agreement as construed in accordance with the applicable law) and doing so in view of the contentions of fact and the contentions of law between the Complainant and the Registrant that result from the submission of the Complaint to the Provider and from the timely submission of the Response.

More particularly, it is especially as to ascertaining facts dispositive of legal relations that the Panel majority’s stated reasons apparently amount to formulating and applying an implied Domain Name Dispute Resolution Agreement provision whereas I would merely apply the applicable law of *functus officio* and *res judicata*. That difference does not result in a different disposition of the Proceeding but, as elaborated below, indicates completely opposite starting positions and can result in completely opposite dispositions of a proceeding. (An aspect of the history and content of or relating to the UDRP and the Policy is of note: the UDRP has

apparently never been amended and the rules made by ICANN directly under it have apparently been amended only to allow for paperless filings, whereas the Policy and the Resolution Rules have been amended frequently and extensively, most recently between the Previous Proceeding and the Proceeding.) On the one hand, the Panel majority's starting position (apparently influenced by the UDRP decisions and UDRP commentaries urged on the Panel by Registrant) apparently is that re-filing is prohibited unless one or more exceptions (such as those espoused in UDRP decisions and UDRP commentaries) are satisfied; whereas, on the other hand, as to at least *res judicata* the Policy's approach apparently starts from exactly the opposite position, in that re-filing is permitted unless two conditions are satisfied, i.e. that all three of the above-listed *res judicata* threshold requirements are met and that the discretion as to whether *res judicata* ought to be applied is exercised against the re-filer.

Moreover, those two completely opposite starting positions apparently result from very different provisions of the rule sets made under the respective domain dispute resolution policies, especially as to what is to be the place of the applicable law. Although each of the UDRP and the Policy require that the decision on each complaint is to be made in accordance with law by a panel appointed by the respective dispute resolution service providers— see UDRP Rules ¶ 15(a) and Resolution Rules ¶12.1— the similarity basically ends there, in that UDRP panels have (or at least have apparently tended to assume for themselves) a discretion about what is to be the place of that law, whereas panels under the Policy have no such discretion. As a result, and as explained in the remainder of this paragraph, the approach to re-filing espoused in UDRP cases and UDRP commentaries is apparently not necessarily applicable to panels deciding under the Policy and the Resolution Rules, and might actually be contrary to what the Panel is to do, so I would not follow that UDRP approach. More particularly, the UDRP Rules ¶ 15(a) provision is as follows:

A Panel shall decide a complaint on the basis of the statements and documents submitted and in accordance with the Policy, these Rules and any rules and principles of law that it deems applicable.

That is very different from Resolution Rules ¶12.1 which in this case requires the Panel to “render a decision in a Proceeding on the basis of the evidence and argument submitted and in accordance with the Policy, the Resolution Rules and any rules and principles of the laws of Ontario ... and, in any event, the laws of Canada applicable therein.” Still more particularly, the UDRP Rules ¶ 15(a) absence of an expressed law of a place has apparently been a factor in the fact that, as a frequent UDRP panelist has stated, “UDRP panels base their decisions on the policy itself, occasionally exercising their discretion to consider legal rules of one or more jurisdictions that seem relevant”; see David E. Sorkin, “Judicial Review of ICANN Domain Name Dispute Decisions” (2001) 18 *Santa Clara Computer & High Tech. L.J.* 35 at 50. However, construing domain name dispute resolution rule sets and the domain name dispute resolution agreements which result from complaint submissions, is an activity separate from, but informed by, construing law (such as but not necessarily limited to applicable trademark law and applicable contract law). Therefore, applying a domain name dispute resolution policy “itself” appears to be wrong in the sense (i) of denying that like any decisions those decisions are made in context, (ii) that the words of the UDRP (and of the Policy and the Resolution Rules) mean nothing but for their context, and (iii) that the context includes rules of law. Similarly, to “occasionally” consider legal rules appears to be either or both of inaccurate or the wrong thing to do, since rules of law are often expressly, and always at least implicitly, part of the context referred to in the panel

reasons for decision. Even the *First WIPO Report* process of proposing the UDRP “was less about legislation than about the efficient application of existing law in a multijurisdictional and cross-territorial space”— paragraph 66 of the *Second WIPO Report*. In sum, I would comply with Resolution Rules ¶12.1, in that I would render my decision in the Proceeding “on the basis of the evidence and argument submitted and in accordance with the Policy, the Resolution Rules and any rules and principles of the laws of Ontario ... and, in any event, the laws of Canada applicable therein.”

As a result, I would apply the applicable law of *functus officio* and *res judicata* and would thereby ascertain that neither *functus officio* nor *res judicata* avails the Registrant.

As for *functus officio*, if it applies to particular circumstances, it apparently applies to those circumstances by operation of law— *Malicia* cited above. The circumstances of the Proceeding are that

- (i) neither the Provider nor the Panel have exhausted their respective function in the Proceeding— *Malicia* cited above, so *functus officio* does not apply; and
- (ii) the Panel has not made a final decision in the proceeding and is not re-opening a matter— *Canada Post Corporation v. Canadian Union of Postal Workers* cited above, so *functus officio* does not apply.

As for *res judicata*, I, like the Panel majority apparently does, would ascertain that the “same parties” threshold requirement is met, and would assume (without deciding) that the “judicial and final” threshold requirement is met. As well, I would find that the “same issue” threshold requirement is not met.

My reasons for ascertaining that the “same issue” threshold requirement is not met, would include *Champaign v. Co-Operators*, cited above as to three considerations (about identifying the questions or issues decided). In view of that case decision, and subject to the Policy and the Resolution Rules (such as Policy ¶ 4.2 and Resolution Rules ¶¶ 9.1(a), 9.1(d), 11.2, and 12.1), what the Panel may consider from the other proceeding includes such things as the decision, the pleadings, and the evidence; *cf. Telesat Canada v. Boeing Satellite Systems International, Inc.*, cited above. Indeed, more than that may be considered by the Panel: clearly the parties’ arguments from the Previous Proceeding are included in the scope of that passage from *Telesat*, as “extrinsic evidence not inconsistent to the record”. More particularly, if the Panel were to “consider from the other proceeding ... the decision, the pleadings, and the evidence”, and the parties’ arguments from the Previous Proceeding, then it seems to me that would be a factor in Registrant’s contentions of *res judicata* failing.

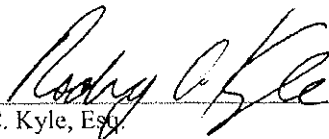
My reasons for ascertaining that the “same issue” threshold requirement is not met, would also include that if one or more agreement provisions on which a subsequent proceeding is based did not exist at the time of the earlier proceeding and have come into existence only since then, the “same issues” element of the *res judicata* threshold test is not satisfied; *cf. Rathwell v. Hershey Canada Inc.*, 2001 CanLII 8598 (ON CA) at paragraph 6 thereof. More particularly, as largely set out by the Panel majority, the Policy provides new causes of action and different tests as to whether a complainant can prevail in a proceeding under the Policy, as compared to the version

of the Policy that was in effect at the time of the Previous Proceeding, and the Complaint contends in pursuance of making a case based on those new causes of action and tests.

Having found that less than all three of the *res judicata* threshold requirements have been met, I would not proceed to the second phase of a *res judicata* analysis, i.e. the phase of whether or not to apply *res judicata*; indeed, apparently I am precluded by the applicable law from doing so. Instead, I would proceed to deciding the Proceeding on a substantive rather than procedural basis. (That is so, despite the Panel majority's pointing to Policy ¶ 1.1, i.e. "The purpose of ... [the] Policy ... is to provide a forum in which cases of bad faith registration of domain names registered in the dot-ca country code top level domain name registry operated by CIRA ... can be dealt with relatively inexpensively and quickly." Likewise, in Ontario the Rules of Civil Procedure include that "These rules shall be liberally construed to secure the just, most expeditious and least expensive determination of every civil proceeding on its merits"— *Rules of Civil Procedure*, RRO 1990, Reg 19, rule 1.04(1). Apparently, that rule 1.04(1) has not precluded the law of *res judicata* and instead works harmoniously with it, including its threshold test.)

In contrast to my analysis, the Panel majority's stated reasons apparently do not address the Response contention of *functus officio* at all, and, as to *res judicata*, apparently either assumes (without deciding) not only that the "judicial and final" threshold requirement is met but also that the "same issue" threshold requirement is met; and then they proceed to the second phase (which is of whether or not to apply *res judicata*), or even proceed to that second phase directly. The Panel majority apparently does so as a result of their starting position of an implied Domain Name Dispute Resolution Agreement provision which the Panel majority's stated reasons amount to formulating and applying. Where ever the Panel majority's starting position comes from, I am of the view that neither it nor the implied Domain Name Dispute Resolution Agreement provision upon which it is perhaps based accords with the applicable law or with the Domain Name Dispute Resolution Agreement as construed in accordance with the applicable law. All that the Panel majority's starting position apparently does accord with is the Panel's unanimous procedural disposition point that neither *functus officio* nor *res judicata* avails the Registrant. In sum, the Panel majority's starting position has, as to *functus officio*, apparently produced no answer (or at least not an answer that is consistent with its stated reasons regarding *res judicata*) and, as to *res judicata*, apparently produced a serendipitous answer, i.e. an apparently right answer for apparently wrong reasons.

7 December 2011.



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Arbitrator