

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

Domain Names: grilladesstk.ca, steakhousestk.ca, stk-otl.ca, stkgrillades.ca, stkotl.ca, stkrestaurantbar.ca, stkresto.ca, stkrestobar.ca

Complainant: The One Group LLC
Registrant: Gouverneur Inc.
Registrar: Webnames.ca Inc.
Panelists: David Allsebrook, Teresa Scassa, Myra Tawfik
Service Provider: Resolution Canada

DECISION

A. The Parties

1. The Complainant is **The One Group LLC**. It is located in the United States with an address in New York, New York. The Complainant operates six famous restaurants in the United States in association with the trade mark STK and has been the owner of the registered trade mark STK in Canada since 2008.

2. The Complainant is represented by the law firm Gilman Pergament LLP of Woodbridge, New Jersey.

3. The Registrant is **Gouverneur Inc.**, with its registered address in Montreal, Quebec. It operates hotels and restaurants in Canada.

B. The Domain Name and Registrar

4. The domain names at issue are **grilladesstk.ca**, **steakhousestk.ca**, **stk-otl.ca**, **stkgrillades.ca**, **stkotl.ca**, **stkrestaurantbar.ca**, **stkresto.ca**, and **stkrestobar.ca**. The Registrar is **Webnames.ca Inc.** The domain names were registered in July 2012.

C. Panel Member's Impartiality and Independence Statement

5. As required by paragraph 7.2 of the CIRA Domain Name Dispute Resolution Rules, the undersigned panelists have declared to the Provider that they can act impartially and independently in this matter as there are no circumstances known to them, which would prevent them from so acting.

D. Factual Background

6. Both parties are well established businesses. The Complainant operates six restaurants in the United States under the trade mark STK. It states that these have become famous throughout North America and that at least 5,000 Canadians have dined there. STK is registered as its trade mark in

association with its business in the United States, Canada and a number of other countries.

7. The Registrant operates hotels in Quebec. It states that it runs many first class hotels in Quebec and employs close to 1,000 people.

8. The Registrant has adopted the trade marks LUX and OTL in Canada for use in connection with its business. It says that in connection with plans to open steakhouse restaurants, to be named using a similarly short form, it independently identified STK as a potential trade mark for its restaurants.

9. In the course of investigating the availability of STK as a trade mark in Canada, the Registrant learned of the Complainant's registration of STK as a trade mark. It states that it determined that the Complainant had not used the trade mark in Canada. It is common ground that the Complainant has not yet opened a restaurant in Canada.

11. Section 45 of the Trade-Marks Act, R.S.C. 1985 c. T-13. Section 45 is a summary procedure requiring owners of registered trade marks to show that their trade marks are in use or justifying non-use, or else the trade mark registration will be expunged. The section 45 proceeding is awaiting a decision.

12. In addition to commencing the section 45 proceeding, the Registrant applied to register STK as its own trade mark. In the event that the application progresses to be advertised for opposition, the Complainant will have the opportunity to oppose it, whether its trade mark STK remains on the register or not.

13. The Registrant has also registered a number of domain names. In addition to those in issue in this complaint, it registered corresponding domain names in the .com domain (**grilladesstk.com, steakhousestk.com, stk-otl.com, stkgrillades.com, stkotl.com, stkrestaurantbar.com, stkresto.com, and stkrestobar.com**). Its explanation for these registrations is that it "...has the habit of registering domain names comprising, identical or similar to" new trade marks when it applies to register the new trade marks.

14. The domain names in the .com domain were the subject of a complaint by the same Complainant filed under ICANN's Uniform Dispute Resolution Policy, which resulted in a decision ordering that the domain names be transferred to the Complainant. (*The One Group LLC v. GOUVERNEUR INC./ Manon Goudreau*, FA 1460010, NAF Oct. 17, 2012) The Registrant has commenced proceedings to challenge that decision in the Supreme Court of British Columbia. The proceedings are pending.

15. The parties' submissions are lengthy and voluminous and cover many issues which are not discussed in this decision. We have considered them all carefully but address only the allegations of lack of legitimate interest and registration in bad faith so as not to influence or prejudice these other proceedings.

E. CIRA Domain Name Dispute Resolution Policy Requirements

16. The Complaint falls to be decided under the current version of the **CIRA Domain Name Dispute Resolution Policy** ("the Policy"), version 1.3, which came into effect on August 22,

2011. The Policy sets out at paragraph 4.1 what the Complainant must establish in order to succeed:

" **4.1 Onus.** To succeed in the Proceeding, the Complainant must prove, on a balance of probabilities, that:

(a) the Registrant's dot-ca domain name is Confusingly Similar to a Mark in which the Complainant had Rights prior to the date of registration of the domain name and continues to have such Rights; and

(b) the Registrant has registered the domain name in bad faith as described in paragraph 3.5;

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.

Even if the Complainant proves (a) and (b) and provides some evidence of (c), the Registrant will succeed in the Proceeding if the Registrant proves, on a balance of probabilities, that the Registrant has a legitimate interest in the domain name as described in paragraph 3.4. "

F. Does the Registrant have a legitimate interest in the domain names?

17. To succeed under the Policy, a complainant must show that a registrant has no legitimate interest in the domain name. Instances of legitimate interests are suggested in section 3.4 of the Policy "in particular but without limitation". The Complainant says that the Registrant has no legitimate interest in the names for an extensive list of reasons.

18. It is difficult to prove a negative. A legitimate interest is shown by the steps the Registrant has taken to select, prepare to use and register STK as its own trade mark. The Registrant formed the view that the Complainant's STK trade mark was not in use, and sought to clear a path to its own lawful use by requesting that Registrar of Trade-Marks expunge it by reason of non-use. Section 45 in the Trade-marks Act, permitting anyone to seek the expungement of a trade mark registration for non-use, is there to reflect the legitimate public interest in having desirable trade marks free for adoption and use when they are unused.

19. The Registrant applied to register STK as its own trade mark. The success of this application is presumably contingent upon the cancellation of the Complainant's registration. Its application will be open to opposition by the Complainant even if the Complainant's registration is expunged. Both of these steps submit all or part of the dispute over this trade mark to the expert adjudication of the Registrar of Trade-marks, which demonstrates good faith. These are common, appropriate and responsible steps to take in this type of situation. Without forming a view as to whether the section 45 proceeding should or will succeed, the Panel concludes that the door was open to the Complainant having to submit to this challenge because no restaurant has operated under its STK brand in Canada since the trade mark was registered in September 2008.

G. Registration in Bad faith

20. A third element which must be established for a Complaint to succeed is that the domain names were registered in bad faith. Again the Policy provides an illustrative but not exhaustive list of examples of bad faith (section 3.5).

21. The Complainant says that the registrations were made in bad faith again for a host of reasons. The Panel does not find bad faith. The Registrant is not complicit in the core activities to which the Policy is directed, preying upon the trade marks of others. Rather it is disputing entitlement to the trade mark STK in Canada, and is doing so using the tools the law provides. Registering domain names which include STK and holding them unused against the day they may be safely used is not so unreasonable, high-handed or injurious as to amount to bad faith. None of the registrations permits a CDRP complaint to be used to characterize the Registrants' recourse to the assistance of the Registrar of Trade-Marks as being in bad faith.

H. Conclusion

22. We find that the Complainant cannot satisfy two of the three criteria necessary for its complaint to succeed and express no opinion as to the third. The Registrant has a legitimate interest in the domain names by reason of its recourse to measures under the Trade-marks Act to secure ownership of the trade mark for itself. It did not act in bad faith in securing the registrations as an incidental aspect of its anticipated use of the STK trade mark. The Panel does not express any opinion about the merits of the other proceedings between the parties.

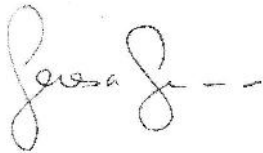
23. For the reasons set out above, the Complaint seeking the transfer of the domain name is dismissed.

January 17, 2013

David Allsebrook



Teresa Scassa



Myra Tawfik

