

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

Case number:
Disputed Domain Name: sleepcountrycanada.ca
Complainant: Sleep Country Canada Inc.
Registrant: Pilfold Ventures Inc.
Registrar: DomainsatCost Corp.
Service Provider: Resolution Canada
Panel Member: Denis N. Magnusson

Parties and Disputed Domain Name

Complainant

1. The Complainant is Sleep Country Canada Inc., incorporated under the *Canada Business Corporations Act*, with its head office in Toronto Ontario. The Complainant satisfies the Canadian presence requirement of CIRA Policy¹, para. 1.4.

Domain Name and Registrar

2. The disputed domain name is “sleepcountrycanada.ca”, registered on June 16, 2003 with the Registrar DomainsatCost Corp.

Registrant

3. The Registrant of the domain name is Pilfold Ventures Inc. A CIRA whois search for the domain name indicates that the Registrant’s postal address is in Winnipeg, Manitoba, and that the Administrative Contact is Shaun Pilford.

Procedural History

4. The Complainant filed a Complaint dated January 21, 2005 with the Provider, Resolution Canada. The Provider sent the Complaint to the Registrant and served notice of the commencement of the Complaint on the parties, the Registrar and CIRA as required by CIRA Rules². No Response to the Complaint being received from the Registrant, the Complainant opted for a single member Panel, as provided in CIRA Rules, para. 6.5. The Provider appointed the undersigned as the single Panel member on March 9, 2005.

5. As no Response had been filed, the Panel is required to “decide the Proceeding on the basis of the Complaint”, CIRA Rules, para. 5.8.

Facts

6. The Complainant Sleep Country Canada Inc, began business as a speciality retailer of mattresses and related products in Canada in 1994. The Complainant registered “Sleep Country Canada” in the Canadian Intellectual Property Office (“CIPO”) as a trademark for the services

¹ CIRA *Domain Name Dispute Resolution Policy*, Version 1.1

² CIRA *Domain Name Dispute Resolution Policy Rules*, Version 1.2

“operation of a retail business specializing in mattresses, box springs, day beds, bed frames, and bedding accessories . . .”.³ The Complainant states that it has used its trade name, “Sleep Country Canada Inc.”, and its registered trademark “Sleep Country Canada”, in association with its retail mattress and bedding business in Canada continuously from 1994 and 1996 respectively. It further asserts that it “has spent over \$100 million since 1994 to advertise the Sleep Country Canada name”. As of December 31, 2003 the Complainant reported annual sales of more than \$165 million and assets of more than \$215 million. The Complaint states that the Complainant “is the largest mattress retailer in Canada with an estimated 19% share of the national market”.

7. The Registrant registered the disputed domain name in June, 2003. The Complainant submitted evidence that as of December 9th, 2004 the web page located at this domain name was entitled “sleepcountrycanada.ca” in large print. Underneath, a header line with seven single word links included the words “mattresses” “retail stores” “prices” and “beds” among these link-words. To the left of the page, a box headed “Popular Links” included “mattresses”, “retail stores”, “prices”, “beds”, “bed frames”, “Sealy” and “Futons” among the ten links listed below the heading. A box at the top centre of the page, headed “Sponsored Links”, had four links, three of which referred expressly to mattresses, and linked to mattress retailers. Below in the centre of the page, a further box headed “top sites” includes six links, all of which expressly referred to mattresses.

Applicable CIRA Policy Provisions

8. CIRA Policy, para. 4.1, places an onus on the Complainant to prove three things:

. . . the Complainant must prove, on a balance of probabilities, that:

- (a) the Registrant’s dot-ca domain name is Confusingly Similar to a Mark in which the Complainant had Rights prior to the date of registration of the domain name and continues to have such Rights; and
- (b) the Registrant has registered the domain name in bad faith as described in paragraph 3.7;

and the Complainant must provide some evidence that:

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

9. Para. 4.1 of the Policy further provides that despite the Complainant having met the above requirements, the Registrant can retain the registration

. . . if the Registrant proves, on a balance of probabilities, that the Registrant has a legitimate interest in the domain name as described in paragraph 3.6.

Is the Registrant’s Domain Name Confusingly Similar to the Complainant’s Mark?

10. The Complainant claimed two Marks as defined in the Policy: its trade name *Sleep Country Canada Inc.* and its registered trademark *Sleep Country Canada*. The Complainant acquired Rights, as defined by the Policy⁴, in these Marks, with respect to the trade name in 1994 and with respect to the trademark in 1996. The acquisition of such Rights in the Marks was well prior to, and continued to and beyond the date of registration of the domain name (June, 2003),.

³ The Complainant was required to disclaim any exclusive right to the use of the word “Canada” apart from the registered trademark.

⁴ CIRA Policy, para. 3.3.

11. “Confusingly Similar” is defined in the Policy, para. 3.4:

. . . 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.

12. For the purposes of the Policy, including the application of the “Confusingly Similar” test, “domain name” means the domain name excluding the dot-ca suffix. Thus the Panel is to consider the domain name as “sleepcountrycanada” in relation to the Complainant’s Mark (registered trademark) “Sleep Country Canada”.

13. The Complainant submitted:

“[P]rior decisions in CIRA proceedings have held that differences in syntax and punctuation between and domain name and a Mark are not relevant for the purposes of assessing whether the domain name is Confusingly Similar to the Mark. Therefore, the spacing differences between the [Complainant’s] Mark “Sleep Country Canada” and the disputed domain name “sleepcountrycanada” are not relevant differences in a confusing similarity analysis. . . . Therefore, the disputed domain name “sleepcountrycanada” is identical to [the Complainant’s] Mark “Sleep Country Canada” for the purposes of the “Confusingly Similar” analysis.⁵

14. The Complainant cited earlier decisions under the CIRA Policy which hold that identity or near identity between the Complainant’s Mark and the Registrant’s domain name will always be sufficient to find that the domain name is Confusingly Similar to the Mark.⁶ The Panel concludes that under this approach the Registrant’s domain name is Confusingly Similar to the Complainant’s Mark.

15. The Complainant also made submissions with respect to an alternate interpretation of “Confusingly Similar” appearing in some earlier CIRA Dispute Resolution cases. That interpretation of “Confusingly Similar” is consistent, as far as is possible in the constrained factual context of a domain name registration, with the classic trademark and trade name law test of “confusion”.⁷ Under this classic confusion approach the first element considered would be the relatively high degree of inherent “distinctiveness”⁸ of the Complainant’s Mark. That inherent distinctiveness coupled with the virtual identity of the domain name to the Mark, when considered in the constrained factual circumstances of a domain name registration, would be sufficient to find a likelihood of confusion, and thus that the domain name was Confusingly Similar to the Mark under this interpretational approach.

⁵ The Complainant cited: *Frnachizit Corporation v. 984308 Ontario Inc.*, CIRA Dispute 00021, August 5, 2004 at para. 22; *Coca-Cola Ltd. V. Amos B. Hennan*, CIRA Dispute 0014, October 28, 2003 at para. 33; and *Canadian Broadcasting Corporation v. William Quon*, CIRA Dispute 00006, April 8, 2003 at para. 11.

⁶ The Complainant cited: *Trans Union LLC v. 1491070 Ontario Inc.*, CIRA Dispute 00008, April 23, 2003 at p.5; *Acrobat Construction / Enterprise Management Inc.*, CIRA Dispute 00013, June 16, 2003 at p. 8; *Coca-Cola*, *supra* note 5 at paras. 32-33; *Canadian Broadcasting Corporation*, *supra* note 5, at p. 11; and *Government of Canada v. David Bedford*, CIRA Dispute 00011, May 27, 2003 at para. 65. This approach interprets the CIRA Policy definition of “Confusingly Similar” similarly to *Trade-marks Act*, R.S.C. 1985, c. T-13, s.9, which prohibits the adoption of “any mark, consisting of, or so nearly resembling as to be likely to be mistaken for [a list of “official” marks, including the Royal Arms, the emblem of the Red Cross, etc.]”.

⁷ *Trade-marks Act*, R.S.C. 1985, c. T-13, s. 6.

⁸ *Trade-marks Act*, R.S.C. 1985, c. T-13, s. 2 “distinctive”. The Complainant’s Mark, the trademark “Sleep Country Canada”, distinctive in this special trademark sense as it is inherently well-adapted for use to distinguish products as being the products originating from the trademark owner from products originating from others.

16. Under this alternate interpretation, the finding that the domain name is Confusingly Similar to the domain name is strongly reinforced by the Complainant's further evidence of the extent to which the Complainant's Mark had become known, prior to the registration of the domain name. This evidence of the ten years of continuous use of the Mark in Canada, of the millions of dollars spent on advertising the Mark, and of the tens of millions of dollars of annual sales in association with the Mark, lead to an inference that the Mark had acquired a substantial reputation among relevant consumers in Canada. When that reputation factor is considered together with the high degree of inherent distinctiveness of the Mark and the virtual identity of the domain name to the Mark, the case for finding the domain name Confusingly Similar to the Mark is overwhelming.

Did the Registrant Register the Domain Name in Bad Faith?

17. Under the CIRA Policy the Complainant must prove, on the balance of probabilities, that the Registrant has registered the domain name in bad faith. However, CIRA Policy, para. 3.7, provides that there will be bad faith for the purposes of the Policy, "if and *only* if":

- a) The Registrant registered the domain name primarily for the purpose of selling the registration to the Complainant or a competitor of the Complainant; or
- b) The Registrant registered the domain name in order to prevent the Complainant from registering the Mark as a domain name, provided that the Registrant has engaged in a pattern of registering domain names in order to prevent persons who have rights in Marks from registering them as domain names, or
- c) The Registrant registered the domain name primarily for the purpose of disrupting the business of the Complainant who is a competitor of the Registrant.

18. The Complainant did not submit evidence directed at parts a) or b) of the above definition of "bad faith". With respect to part c) of the definition, the Complainant submitted that the Registrant's use of the Confusingly Similar domain name to connect to the web page described above with its links to competitors of the Complainant would disrupt the business of the Complainant. The Complaint noted that the Registrant's use of the domain name, Confusingly Similar to the Complainant's Mark, would likely lead Internet users who intended to deal with the Complainant to go to the Registrant's web site, and from there those users might be diverted to one of the Complainant's competitors who were linked to the Registrant's web page.

19. To qualify as bad faith business disruption under part c), the *Registrant* of the domain name must be a competitor of the Complainant.⁹ The Panel finds that the Registrant's use of the domain name in association with a web page that linked to competitors of the Registrant, constituted the Registrant a competitor of the Complainant for the purposes of CIRA Policy para. 3.7(c). Further, the Panel concludes that the effect of the Registrant's use of the Confusingly Similar domain name with this web page offering products directly competing with the Complainant's business would disrupt the business of the Complainant.¹⁰

⁹ CIRA Policy, para. 3.7(c) also extends the definition of bad faith business disruption to instances in which the Registrant intends to disrupt the business of a Complainant's licensor or licensee of the Mark, provided that the Registrant is a competitor of the licensor or licensee. There is no issue of licensing the Mark in this case.

¹⁰ Some prior decisions under the CIRA Policy support the view that a Registrant's use of the Confusingly Similar Domain Name so as to create the likelihood of the actual diversion of trade from the Complainant, constitutes a "disruption" of the Complainant's business under Policy, para. 3.7(c). *Great Pacific Industries v. Ghalib Dhalia*, CIRA Dispute 00009, April 21, 2003 at para. 79; *Glaxo Group Limited v. Defining Presence Marketing Group Inc. (Manitoba)*, CIRA Dispute 00020, August 26, 2004 at p. 7; *Christian Houle v. Jean-Pierre Ranger International*

20. CIRA Policy, para. 3,7(c) requires more than that the *effect* of the Registrant's registration and use of the domain name disrupt the business of its Complainant competitor. The Panel must be able to find that the *primary purpose* of the Registrant in registering that domain name was to disrupt the business of Complainant competitor.

21. The Complainant submitted that the "a Registrant's purpose in registering a disputed domain name should be determined by common sense inferences from the Registrant's conduct and other surrounding circumstances".¹¹ The Panel finds that it is reasonable to infer the Registrant's intention in registering a domain name from the use to which the Registrant puts the domain name after registration. The Registrant used the Confusingly Similar domain name on a web site that was dominated by links to mattress and bedding retailers who might compete for business with the Complainant. The adverse impact on, or disruption of, the Complainant's business from the Registrant so using the Confusingly Similar domain name should have been obvious to the Registrant. I infer that this intention was formed by the Registrant as the domain name was first registered. Further, the dominant use on that web site of links to businesses competing with the Complainant supports the further inference that the Registrant registered the domain name "primarily for the purpose of disrupting the business of the Complainant".¹²

22. The Panel concludes that the Registrant registered the domain name in bad faith, primarily for the purpose of disrupting the business of the Complainant.

Did the Registrant Have a Legitimate Interest in the Domain Name?

23. To succeed in this Complaint the Complainant must provide some evidence that the Registrant has no legitimate interest in the domain name. CIRA Policy, para. 3.6 defines "Legitimate Interests" restrictively:

The Registrant has a legitimate interest in a domain name if, and only if, before the receipt by the Registrant of notice . . . of the . . . Complaint . . . : [there follows a list of six specific legitimate interests]

24. When the six specific forms of legitimate interest are considered, it becomes obvious that the Registrant had no legitimate interest in the domain name.

(a) the domain name was a Mark, the Registrant used the Mark in good faith and the Registrant had Rights in the Mark;

25. Particularly as the Registrant placed the domain name as a heading or title on the web page located by the domain name, it may be that the domain name as used by the Registrant was a "Mark", that is, a trade name or a trademark for the services offered by the web page. However, as that Mark when first used by the Registrant was, under Canadian trade name and trademark law, confusing with the trade name and trademark in which the Complainant had much earlier

Inc., CIRA Dispute 00010, May 13, 2003 at para. 29; *Elysium Wealth Management Inc. v. Brian Driscoll*, CIRA Dispute 00005, February 28, 2003 at para. 4.12.

¹¹ *Coca-Cola Ltd*, supra note 5, at paras. 45-46 and *Canadian Broadcasting Corporation*, supra note 5, at p. 13.

¹² The web page located by the disputed domain name at the time this decision is being written, March 14, 2005, no longer features the links to competing mattress and bedding retailers. This change of use, likely made after the Registrant had notice that a Complaint had been, or would be made, does not affect the reasonable inferences about the Registrant's intent in registering the domain name that can be made from the Registrant's use of the domain name immediately after registration.

acquired rights, the Registrant could not have Rights in this Mark.¹³ Further, as the Registrant's registration and use of the Confusingly Similar domain name would obviously disrupt the business of the Complainant, as noted above, it cannot be said that the Registrant used the Mark (domain name) in good faith.

(b) the Registrant used the domain name . . . in good faith . . . and the domain name was clearly descriptive . . . of . . . of the wares, services or business

26. The domain name was not clearly descriptive of any wares, services or business in association with which the Registrant has used the domain name.

(c) . . . the domain name was . . . the generic name . . . [of] any wares, services or business . . . [with which] the Registrant used the domain name;

27. The domain name was not the generic name of any such wares, services or business.

(d) the Registrant used the domain name . . . in good faith in association with a non-commercial activity . . .

28. The Registrant's use of the domain name to advertise vendors of mattresses and bedding is not "non-commercial", regardless of whether the Registrant secured revenue from such advertising. Further the Registrant's use of the domain name was not in good faith, as was noted above.

(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;

29. The domain name was not the name of the Registrant in any of the meanings of "name" identified in this provision of the CIRA Policy.

(f) the domain name was the geographical name of the location of the Registrant's non-commercial activity or place of business.

30. The domain name was not a geographical name.

8. Conclusion

31. The Panel concludes that the domain name is Confusingly Similar with the Complainant's Mark, that the Registrant registered the domain name in bad faith, and that the Registrant has no legitimate interest in the domain name.

Consequently, the Panel orders the domain name transferred from the Registrant to the Complainant.

Signature

Denis N. Magnusson
Sole Panellist

March 14, 2005

¹³ *Elysium Wealth Management Inc. v. Brian Driscoll*, CIRA Dispute 00002, October 22, 2002 at para. 48.