

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

Domain Name: CANDERELSTONERIDGE.CA

Complainant: Canderel Stoneridge Equity Group Inc.

Registrant: Michael
c/o Oleg Shevchenko

Registrar: Sibername Internet and Software Technologies Inc.

Panelist: Teresa Scassa

Service Provider: Resolution Canada, Inc.

DECISION

A. The Parties

1. The Complainant, Canderel Stoneridge Equity Group Inc. was incorporated in 1995 under the laws of Ontario, and has its head office in Toronto. It is one of several companies which form the Canderel Group of Companies, founded in 1975.
2. The Registrant for the domain name is listed simply as Michael. The contact person is identified as Oleg Shevchenko, with an address in Ottawa.

B. The Domain Name and Registrar

3. The disputed domain name is canderelstoneridge.ca. The Registrar for the domain name is Sibername Internet and Software Technologies Inc. The disputed domain name was registered on October 11, 2007.

C. Procedural History

4. This is a proceeding under the Canadian Internet Registration Authority (CIRA) *Domain Name Dispute Resolution Policy* (Version 1.1) (the *Policy*) and the CIRA *Domain Name Dispute Resolution Rules* (Version 1.2) (the *Rules*).

5. The history of the proceeding, according to information provided by the dispute resolution provider, Resolution Canada, Inc., is as follows:

-The Complainant filed a complaint against the Registrant with Resolution Canada, Inc., requesting that the current registration of the domain name canderelstoneridge.ca be transferred to Canderel Stoneridge Equity Group Inc. The Complaint was dated February 21, 2008.

-Resolution Canada served notice of the Complaint to the Registrant as required by paragraph 4.3 of the *CIRA Domain Name Dispute Resolution Rules [Rules]*. Service of the Complaint was made by courier. It was received and signed for on February 29, 2008 at the address provided in the contact information for the domain name registration.

-On March 7, 2008, the legal assistant to counsel for the Complainant received a phone call from an individual at the address indicated in the Registrant's contact information. The individual indicated that his surname was Shevchenko, but that his first name was not Oleg. According to an email sent to Resolution Canada on March 24, 2008, the individual stated that he had nothing to do with the complaint and did not wish to receive any additional information related to the complaint at that address.

-The Registrant has not responded to the Complaint.

-The Complainant elected to proceed before a panel consisting of only one panelist.

D. Panelist Impartiality and Independence

6. As required by paragraph 7 of the *Rules* I have submitted to the Provider a declaration of impartiality and independence in relation to this dispute.

E. Canadian Presence Requirements

7. The Complainant, Canderel Stoneridge Equity Group Inc., is a company incorporated under the laws of Ontario. As such, it meets the Canadian Presence Requirements under paragraph 2(d) of the *CIRA Canadian Presence Requirements for Registrants*, Version 1.3.

F. Factual Background

8. The Complainant is in the business of real estate development and project management for both residential and commercial projects. It was incorporated in 1995. In December 2000, the Complainant registered the domain name canderelstoneridge.com. The domain name resolves to a web site that provides information about the company and about its various development projects. The website also provides customer service information and access, as well as other contact information.

9. The domain name registered by the Registrant is canderelstoneridge.ca. Although the site is no longer active, the Complainant provided evidence in the form of printouts of screen images that show that at one point the domain name resolved to a web site that was very similar in appearance to that of the Complainant. The Registrant's web site

copied the layout and graphic design of the Complainant's site, as well as photographs used on the site. It also reproduced the Complaint's logo and trade name. The only original content supplied by the Registrant was text which described the Registrant's alleged experiences with the Complainant, and his anger and frustration at these experiences. None of the screen images provided show any name associated with the concerns expressed.

10. On November 20, 2007, the Complainant, through its counsel, wrote to the Registrar of the disputed domain name and indicated that the website to which the domain name resolved was being passed off as a website of the Complainant. The letter asked the Registrar to "shut down, remove, or otherwise incapacitate this website". On November 23, 2007, the Complainant's counsel wrote to three individuals "believed to be associated with the Registrant and with the administration of the Disputed Domain Name." (Complainant's Submission, para. 12) The basis on which these individuals were believed to be associated with the Registrant or the domain name is not clear in the Complaint. The letter requested the immediate transfer of the domain name to the Complainant. There is no evidence that the Complainant received a response to either letter.

11. The Complainant states that on or about December 11, 2007, it noticed that the Registrant had moved the disputed domain name to a new hosting company, HostMonster, Inc. On December 11, 2007 counsel for the Complainant wrote to HostMonster Inc., informed them of their concerns with the website, and asked that they "immediately shut down, remove or otherwise incapacitate this website". The Complainant states that shortly after sending this letter, the website to which the disputed domain name resolved was disabled.

G. *CIRA Domain Name Dispute Resolution Policy Requirements*

12. Paragraph 3.1 of the *CIRA Domain Name Dispute Resolution Policy (CDRP)* requires that the Complainant establish 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;
- (b) the Registrant has no legitimate interest in the domain name as described in paragraph 3.6; and
- (c) the Registrant has registered the domain name in bad faith as described in paragraph 3.7.

13. According to paragraph 4.1 of the CDRP, the Complainant must establish elements (a) and (b) above on a balance of probabilities. The Complainant must also provide "some evidence" that the Registrant has no legitimate interest in the domain name.

H. Analysis

Confusingly Similar

14. The Complainant must first establish that the disputed domain name is confusingly similar to a mark of the Complainant's, and that the Complainant had rights in that mark prior to the date of registration of the domain name, and that it continues to have such rights.

15. The Complainant's trade name is Canderel Stoneridge Equity Group. It also uses the words Canderel Stoneridge to distinguish its business, as a common law service mark. These words are a prominent part of the logo used by the Complainant on its website and in its advertising. I find that the words "Canderel Stoneridge" on their own are a "Mark" within the meaning of para. 3.2 of the Policy, and that those words incorporated with the design logo also constitute a "Mark" within the meaning of the policy. The Complainant was incorporated in 1995, and has used the words Canderel Stoneridge since that time. The domain name canderelstoneridge.com was registered by the Complainant in 2000 and has been used in association with its business since that time. I find that the Complainant has rights in its trade name, service mark and logo that substantially predate the registration of the disputed domain name in 2007.

16. According to para. 3.4 of the *Policy*, a domain name is confusingly similar to a Mark when it "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." The disputed domain name canderelstoneridge.ca is Confusingly Similar with the Complainant's marks. The second level domain of the disputed domain name incorporates, and indeed consists entirely of the Complainant's "Canderel Stoneridge" common law mark. It also incorporates the most distinctive portion of the Complainant's trade name. It is this portion of its trade name that the Complainant chose to register as its own second level domain in its domain name canderelstoneridge.com.

Legitimate Interest

17. Under sub-paragraph 4.1(c) of the *Policy*, the Complainant must provide some evidence that "the Registrant has no legitimate interest in the domain name". Paragraph 3.6 identifies six circumstances in which a legitimate interest may arise. These are:

- (a) *the domain name was a Mark, the Registrant used the Mark in good faith and the Registrant had Rights in the Mark;*
- (b) *the Registrant used the domain name in Canada in good faith in association with any wares, services or business and the domain name was clearly descriptive in Canada in the English or French language of:*
 - (i) *the character or quality of the wares, services or business;*
 - (ii) *the conditions of, or the persons employed in, production of the wares,*

performance of the services or operation of the business; or (iii) the place of origin of the wares, services or business;

- (c) the Registrant used the domain name in Canada in good faith in association with any wares, services or business and the domain name was understood in Canada to be the generic name thereof in any language;*
- (d) the Registrant used the domain name in Canada in good faith in association with a non-commercial activity including, without limitation, criticism, review or news reporting;*
- (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; or*
- (f) the domain name was the geographical name of the location of the Registrant's non-commercial activity or place of business.*

18. It is clear from the material submitted by the Complainant that the Registrant has used the domain name in association with a web site that is critical of the Complainant's business. If the Registrant is to have a legitimate interest in the domain name, it must be under sub para. 3.6(d).

19. Although the site to which the disputed domain name resolved is no longer active, the screen images submitted by the Complainant clearly indicate that the Registrant placed content on the site that was directly critical of the Complainant. Nevertheless, in order for the use of the domain name for criticism to amount to a "legitimate interest", the use must be "in good faith". The screen images show that the Registrant created a web site that was almost identical in appearance to that of the Complainant. The site used the same layout as that of the Complainant, and reproduced the complainant's graphic design and photographs. The site also reproduced the Complainant's logo. The disputed domain name also consists exclusively of the Mark of the Complainant and does not contain any other words or indications that the site to which it will resolve offers a critical assessment of the Complainant. The use of the domain name to resolve to a site that copies so much of the Complainant's intellectual property does not qualify as a use in "good faith". I should note that none of the content that was reproduced was reproduced with a view to any sort of parody or as an expressive vehicle for the criticisms of the Complainant's company. While it would remain to be determined whether and to what extent such uses might support a legitimate interest, it is clear that in this case the material was simply copied, and did not advance the critical message of the Registrant. I note as well that some of the criticisms on the screen images provided are expressed in terms that are potentially libelous. The Registrant does not sign any of the statements made on the site, nor does he identify himself at any point. These factors also militate against a finding of "good faith". I find that the Registrant does not have a legitimate interest in the Mark.

Bad Faith

20. The exclusive bases for a finding of bad faith registration are set out in subparagraph 3.7 of the *Policy*. They are:

3.7 Registration in Bad Faith. *For the purposes of paragraph 3.1(c), a Registrant will be considered to have registered a domain name in bad faith if, and only if:*

- (a) *the Registrant registered the domain name, or acquired the Registration, primarily for the purpose of selling, renting, licensing or otherwise transferring the Registration to the Complainant, or the Complainant's licensor or licensee of the Mark, or to a competitor of the Complainant or the licensee or licensor for valuable consideration in excess of the Registrant's actual costs in registering the domain name, or acquiring the Registration;*
- (b) *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; or*
- (c) *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*

21. Para. 3.7(a) is not relevant here, as there is no evidence that the Registrant ever attempted to sell or otherwise transfer the disputed domain name either to the Complainant or to anyone else for a profit. Further, there is no evidence that the registration of this domain name is part of a pattern of conduct on the part of the Registrant, as required by para. 3.7(b). Indeed, the Complainant appears to base their argument of bad faith on para. 3.7(c) of the *Policy*. Under this paragraph, the Complainant must demonstrate that the Registrant acquired the domain name a) primarily for the purpose of disrupting the business of the Complainant, and that b) the Complainant is a competitor of the Registrant. I will deal with each of these in turn.

22. It is reasonable to conclude, based on the degree of similarity between the disputed domain name and the Complainant's marks, and based on the copying of the appearance of the Complainant's web site combined with the extremely critical comments on the web site to which the domain name resolved at one point, that the Registrant intended to "disrupt" the business of the Complainant. It is fair to say that the author of the material on the site intended to dissuade anyone who read the material from

doing business with the Complainant. I have no difficulty finding that Complainant has demonstrated that the Registrant registered the domain name “primarily for the purpose of disrupting the business of the Complainant”, as required by para. 3.7(c).

23. The more difficult issue is whether the Complainant is a “competitor” of the Registrant. The Complainant must establish this on a balance of probabilities. The way in which para. 3.7(c) is drafted leaves open the possibility that someone with no legitimate interest in a confusingly similar domain name could register the domain name so as to deliberately disrupt the complainant’s business, and yet escape the reach of CIRA’s policy so long as the Complainant is not a ‘competitor’ of the Registrant.

24. While this would seem to be a troublesome result, there is every indication that it was in the contemplation of the drafters of the Policy. Paragraph 3.7, as set out above, begins by stating that a “Registrant will be considered to have registered a domain name in bad faith if, and only if” one of the listed circumstances is made out. By contrast, the ICANN Uniform Dispute Resolution Policy (UDRP) contains a more open-ended set of circumstances in which bad faith can be found. In particular, the list of circumstances in the UDRP begins with the words: “the following circumstances, in particular but without limitation . . . shall be evidence of the registration and use of a domain name in bad faith.” [Emphasis added.] The CIRA Policy was drafted after the UDRP, and the drafters were well aware of the UDRP and the emerging case law under that policy.

25. Because of the much narrower wording of the bad faith provisions of the CIRA Policy, it is not surprising that there has been a great deal of consideration of what constitutes a ‘competitor’ in decisions under the Policy, and with a wide range of results. In at least one decision a competitor has been narrowly defined as someone who is in direct economic competition with the complainant. (See: *Microsoft Corporation v. Microscience Corporation* CIRA #00034). Other cases have extended this to someone who is either in direct competition or who is gaining an economic benefit from the internet traffic generated by the registrant’s activities. (See, eg: *Trans Union LLC v. 1491070 Ontario Inc.* (CIRA Decision #00008) or *Acrobat Construction/Enterprise Management Inc. v. 1550507 Ontario Inc.* (CIRA Decision # 00013, reported at (2003) 29 C.P.R. (4th) 261). In other decisions, a registrant who uses the disputed domain name to channel internet traffic to the web sites of competitors of the complainant is considered to be a “competitor” even if they receive no direct economic advantage (*Sleep Country Canada Inc. v. Pilfold Ventures Inc.* (CIRA Decision # 00027), *Lee Valley Tools v. Pilfold Ventures Inc.* (CIRA Decision # 00040). Those who use the registered domain name as part of a “click through” scheme from which they receive revenue have also been found to be “competitors’. (See, eg: *Omer DeSerres Inc. v. Maddeaux*, CIRA Decision #00088) In other decisions, the simple fact of competing for internet traffic would seem to be sufficient to make the registrant a competitor. (See: *McKee Homes Ltd. v. Honsek* (CIRA Decision # 00079). The tension over the meaning of the term ‘competitor’ is considered at some length in *Canadian Thermos Products Inc. v. Fagundes* (CIRA Decision #00049, reported at (2006), 50 C.P.R. (4th) 296.).

26. In *McKee Homes Ltd. v. Honsek* (CIRA Decision #00079) the panel considered the meaning of “competitor” in a case where the registrant had used a confusingly similar domain name to establish a site that was critical of the complainant’s business. In that case, the panel found that the use of a domain name that was identical to the Complainant’s trade-mark would result in internet users being misled or confused into visiting the Registrant’s site when searching for the Complainant’s. This was found to amount to a disruption of the Complainant’s commercial interests. The panel also found that it turned the Registrant into a competitor of the Complainant, as she “was competing with the Complainant for Internet traffic by capitalizing on consumer confusion.” (*McKee Homes*, at para 51.)

27. With respect, it seems to me that such a view has the potential to turn every Registrant into a competitor of a complainant once it is established that a domain name is confusingly similar with a complainant’s mark. If the confusing similarity results in some internet traffic being diverted to the registrant’s site, the registrant becomes both a competitor of the complainant, and someone who is disrupting their business.

28. Under the CIRA Policy it is possible for the registrant to demonstrate a legitimate interest in a domain name that is confusingly similar to a mark in which the complainant has rights. This can be done in a number of ways, including by demonstrating that “the Registrant has used the domain name in Canada in good faith in association with a non-commercial activity including, without limitation, criticism, review or news reporting.” (CIRA Policy 3.6(d)). The interpretation of the policy must leave room for legitimate criticism sites even when their domain names incorporate a Mark that is “Confusingly Similar”. While it is true that a criticism site can have the effect of diverting customers away from a business, it is perfectly permissible for legitimate criticism to have that effect. If the host of a legitimate criticism site is engaged in a non-commercial activity, it is hard to see how they can also be a competitor.

29. I return to the question of whether, on the facts before me, the Complainant is a competitor of the Registrant. As noted above, the identity of the Registrant is uncertain. The Registrant used only the name “Michael” in his registration, and the author of the comments on the web site does not identify himself by attaching his own name to any of the material on the site. The anonymous poster of the materials on the site states that they are a former customer, but there is nothing else to support this assertion. While it is possible that the Registrant is indeed a disgruntled customer, the material on the screen images provided lacks the hallmarks that would identify them as legitimate criticism or complaint.

30. In the case before me, the Registrant, whose identity is uncertain, used the domain name to resolve to a site that lacked the hallmarks of legitimate criticism. The site reproduced the look and feel of the Complainant’s web site, as well as the Complainant’s trade-marks, and original photographs. The critical comments were unsigned, and in some instances were expressed in extreme terms. The disputed domain name consists entirely of the Complainant’s Mark.

31. In such circumstances, I am prepared to find that the Complainant has established, on a balance of probabilities, that they are a competitor of the Registrant. By reproducing the Complainant's intellectual property on their web site, the Registrant created "packaging" for their criticisms that matched the Complainant's own "packaging" for their online services. The Complainant was essentially faced with a competing version of their web site, but one that was intended to disrupt their business.

I. Conclusion and Decision

32. In conclusion, I find that the Complainant has rights in the Mark "Canderel Stoneridge". I find that the disputed domain name is Confusingly Similar to the Mark, that the Registrant had no Legitimate Interest in the Mark, and that he registered the Mark in bad faith.

33. I therefore order, pursuant to paragraph 4.3 of the CIRA *Policy* that the registration of the domain name CANDERELSTONERIDGE.CA be transferred to the Complainant Canderel Stoneridge Equity Group Inc.

Dated April 15, 2008

Teresa Scassa

Teresa Scassa
April 15, 2008