

CANADIAN INTERNET REGISTRATION AUTHORITY

DOMAIN NAME DISPUTE RESOLUTION POLICY COMPLAINT

Dispute Number:

Domain name: discoverytoys.ca

Complainant: Discovery Toys, Inc.

Registrant: Ebenezer Thevasagayam

Registrar: Expert.ca

Panellist: Hugues G. Richard

Service Provider: Resolution Canada, Inc.

DECISION

PREAMBLE

1. The Canadian Internet Registration Authority (“CIRA”) is responsible for operating the dot-ca Internet country code Top Level Domain (“ccTLD”)
2. This is an administrative proceeding pursuant to the CIRA Domain Name Dispute Resolution Policy, adopted by CIRA, and in effect as of December 4, 2003 (the “Policy”), version 1.2 and the CIRA Domain Name Dispute Resolution Rules, version 1.3 (the “Rules”).
3. The CIRA Registration Agreement governing dot-ca domain names requires, in virtue of Section 3.1 (a)(iv), that the Registrant complies with the Policy throughout the terms of the registration agreement. Paragraph 3.1 of the Policy requires that the Registrant submits to this dispute resolution proceeding.
4. Resolution Canada, Inc. is a recognized service provider pursuant to the Policy.

THE PARTIES

5. The Complainant is Discovery Toys, Inc., having a place of business at 6400 Brisa Street, Livermore, California, 94550, USA.
6. The Registrant is Ebenezer Thevasagayam, residing at 31 Lysander Court, Toronto, Ontario, Canada, M1V 3R2.

THE DOMAIN NAME AND REGISTRAR

7. The domain name that is the subject of this proceeding is discoverytoys.ca (the “Domain Name”).
8. The Registrar of the Domain Name is Expert.ca having a place of business at 2350, Decelles Street, Saint-Laurent, Quebec, Canada, H4M 1C1.

PROCEDURAL HISTORY

9. In accordance with the Policy, a complaint was filed with Resolution Canada Inc. by Discovery Toys, Inc. on October 31, 2008 concerning the Domain Name.
10. Resolution Canada finding the Complaint to be in order transmitted the Complaint to the Registrant on October 31, 2008.
11. The Registrant sent an email to Resolution Canada, Inc. on November 18, 2008 relinquishing the Domain Name to the Complainant and advised that he wished to settle the matter with the Complainant directly.
12. The Registrant did not deliver a Response to the Complaint to Resolution Canada, Inc.
13. The Complaint was filed in English.
14. On November 25, 2008 Resolution Canada, Inc. named Hugues G. Richard as sole Panellist to adjudicate the dispute in connection with the Domain Name, pursuant to Section 6.5 of the Rules as there was no Response from Registrant.

RELIEF REQUESTED

15. The Complainant request that the Domain name be transferred to the Complainant.

FACTUAL BACKGROUND AND PARTIES CONTENTIONS

The Complainant

16. The Complainant satisfies Canadian Presence requirements under Section 2(q) of the Policy based on registered Canadian trade-marks as follows:
 - (a) DISCOVERY TOYS, TMA290575, registered on May 4, 1984;
 - (b) DISCOVERY TOYS, TMA363667, registered on November 17, 1989;
 - (c) DISCOVERY TOYS, TMA367787, registered on April 20, 1990;
 - (d) DISCOVERY TOYS, TMA411873, registered on April 30, 1993;
 - (e) JOUETS DÉCOUVERTE, TMA412924, registered on May 28, 1993;
 - (f) JOUETS DÉCOUVERTE, TMA416678, registered on September 10, 1993.
17. The Complainant, Discovery Toys, Inc. is a leading direct sales educational toy company serving the United States and Canada, and has been for more than 30 years.
18. The Complainant submits that the Domain Name registered by the Registrant is identical to trade-marks in which the Complainant has rights, as was shown in Complainant's copies of the Canadian trademark register.
19. The Complainant submits that the Registrant has no legitimate interest in the Domain Name, as he has no rights in the trade-marks owned by the Complainant.
20. The Domain name does not lead to any website.

21. The Complainant alleges that this is due to DNS information being removed from the domain on September 16, 2008. Screen capture of the underlying WHOIS data from September 2, 2008 and October 21, 2008 shows the change in DNS data.
22. Previously, the Domain Name led to a generic landing page which featured links to various third party websites, including websites where educational toys are advertised or offered for sale. Some of these websites linked back to the Complainant's products; others linked to competing products. A version of the landing was found on the Internet archive site, archive.org and a printout was provided by the Complainant;
23. [The Complainant alleges that those changes occurred after phone conversations on September 5 and September 16, 2008 between its representatives and the Registrant regarding his ownership of the Domain Name.]
24. During the initial conversation, the Registrant stated he registered the site "five years ago" due to his family's interest in the Domain Name. He added that the purpose was to start a "small scale operation" but that due to life changes, he did not create the site, and currently did not "intend to do anything" with the site.
25. The Registrant stated that he was not aware of the Complainant doing business in Canada or owning trademarks in Canada.
26. The Complainant offered to reimburse the Registrant for all the annual registration costs for the Domain Name and also for another domain name of the Registrant's choice.
27. The Complainant claims the offer was refused by the Registrant.
28. During the second conversation, the Registrant offered to sell the Domain Name to the Complainant for between \$12,000 to \$15,000, if lawyers were involved, or for \$5,000 without lawyers. The Complainant requested that those terms be in writing. The Registrant agreed and said he would provide this shortly.
29. There were no more communication between the Complainant and the Registrant after that.
30. The Complainant submits that the asking fee by the Registrant of \$5,000 is much greater than the actual costs expended by the Registrant. For this reason, the Complainant submits that the Registrant registered the Domain Name in bad faith.

The Registrant

31. The Registrant, as previously mentioned, did not respond to the complaint.

JURISDICTION OVER THE PARTIES

32. The Complainant Discovery Toys, Inc. is the registered owner in Canada of the trademarks identified at paragraph 16 hereof and therefore satisfies the CIRA Canadian Presence Requirement for Registrants, as stipulated in paragraph 1.4 of the Policy.

EFFECT OF FAILURE OF REGISTRANT TO FILE A RESPONSE

33. Section 5.8 of the Rules provides that:

34. “If a Registrant does not submit a Response within the period for submission of a Response or any period extended pursuant to paragraph 5.4 or 5.6, the Panel shall decide the Proceeding on the basis of the Complaint [...]”

35. However, as stated in *Browne & Co. Ltd. v. Bluebird Industries* (CIRA Decision No 00002):

“The requirement does not preclude the Panel from assessing the integrity and credibility of the evidence as disclosed in the Complaint.”

36. In the present case, the Panel does not see any reason to question the integrity and credibility of Complainant’s evidence.

APPLICABLE LAW

37. Pursuant to Section 12.1 of the Rules, the Panel shall apply the laws of Ontario, or if the Registrant is domiciled in Quebec, the laws of Quebec, or, if a preference for the 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.

OVERVIEW OF THE POLICY

38. Under paragraph 4.1 of the CIRA Policy, the burden is on the Complainant to 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;
- (b) The Registrant has no legitimate interest in the Domain Name as described in paragraph 3.6 of the Policy; and
- (c) The Registrant has registered the Domain Name in bad faith as described in paragraph 3.7 of the Policy.

39. To be successful, the Complainant has to win with respect to all three elements.

DISCUSSION

CONFUSING SIMILARITY BETWEEN THE DOMAIN NAME AND THE COMPLAINANT'S MARK

40. Section 3.2 of the Policy defines a Mark as follows:

“A **“Mark”** is:

(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 [...];

[...]

(c) a trade-mark, including the word elements of a design mark, that is registered in CIPO;
[...]

41. Section 3.3 of the Policy defines rights in a mark as follows:

“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
[...]

42. Section 3.5 of the Policy defines use as follows:

“A Mark is deemed to be in **“use”** or **“used”** in association with:

[...]

(b) services, if the Mark is used or displayed in the performance or advertising of those services;

(c) a business, if the Mark is displayed in the operating, advertising or promoting of the business;

[...]

43. The Complainant proved he had Rights in the Mark DISCOVERY TOYS prior to Registration of the Domain Name by the Registrant, as its Marks was registered with

the Canadian trade-mark registry on May 4, 1984, November 17, 1989, April 20, 1990 and April 30, 1993. The Registrant registered the Domain Name November 26, 2000.

44. Section 3.4 of the Policy defines the term “Confusingly Similar” as follows:

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

45. Section 1.2 of the Policy stipulates that:

“[...] For the purposes of this Policy, “domain name” means the domain name excluding the “dot-ca” suffix and the suffixes associated with all third and fourth level domain names accepted for registration by CIRA”.

46. Pursuant to *Government of Canada v. Bedford*, May 27, 2003, p.15, the test applicable is one of first impression and imperfect recollection:

“Accordingly, for each Domain Name the Complainant must prove on a balance of probabilities that a person, on a first impression, knowing the Complainant’s corresponding mark only and having an imperfect recollection of it, would likely mistake the Domain Name (without the .ca suffix) for Complainant’s corresponding mark based upon the appearance, sound or the ideas suggested by the Mark.”

47. Applied to this case, the Panel can only come to the conclusion that the Domain Name and the Mark are not only confusingly similar, but that they are, in fact, identical without the .ca suffix.

48. In view of this conclusion, the Panel is of the opinion that the Complainant has met its first burden of proof.

NO LEGITIMATE INTEREST IN THE DOMAIN NAME

49. The Complainant submits that the Registrant has no legitimate interest in the Domain Name, as this term is defined in Section 3.6 of the Policy.

50. The Registrant did not prove he had any legitimate interest in the Domain Name pursuant to Section 3.6 of the Policy:

(a) The Domain Name was not a Mark in which Registrant had any rights in, the Complainant however did have rights in the Mark.

(b) The Domain Name was not used by the Registrant in association with wares, services or business of which the Domain Name was clearly descriptive of (i) their character or quality, (ii) their conditions or of the persons employed in or of the

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

- (c) The Domain Name was not a generic name for the wares, services or business used in association thereof.
 - (d) The Domain Name was not used in Canada in good faith in association with a non-commercial activity of the Registrant or the geographical name of the location of such non-commercial activity, or that such name comprised the legal name of the registrant or a name with which the registrant is commonly identified.
 - (e) the Domain Name was not comprised the legal name of the Registrant or was a name, surname or other reference by which the Registrant was commonly identified; or the Domain Name was not the geographical name of the location of the Registrant's non-commercial activity or place of business.
51. In Section 3.6 (b), (c), and (d) "use" by the Registrants includes, but is not limited to, use to identify a web site.
52. The Registrant submitted no evidence that these conditions were met with respect to the use of the Domain Name by him as he did not submit a Response to the Complaint.
53. The Panel is thus limited to reviewing the evidence and arguments submitted by the Complainant.
54. The operation of a webpage linking it to other websites is not a *bona fide* offering of goods and services pursuant to Section 3.6(a) of the Policy.
55. "Discovery toys" is not a generic word nor is it clearly descriptive in Canada, in the English or French languages, of the character or quality of the wares, services, business, conditions of or the persons employed in, production of the wares, performance of the services, or operation of the business or the place of origin of the wares, services, or business of the Registrant, in accordance with Section 3.6(b) and (c) of the Policy.
56. "Discovery toys" is not the legal name of the Registrant, nor is there any evidence to suggest that it is the name, surname or other reference by which the Registrant was commonly identified, pursuant to Section 3.6(e) of the Policy.
57. As for Section 3.6(d) there is no evidence that Registrant used the Domain Name in association with a non-commercial activity.
58. Thus, the Panel finds that the Complainant has met its second burden of proof and that the Registrant had no legitimate interest in the Domain Name.

REGISTRATION IN BAD FAITH

59. The Complainant submits that the Registrant registered Domain Name in bad faith, as this term is defined in Section 3.7 of the Policy.
60. Section 3.7 of the Policy defines "Bad faith" as follows:

“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.”

In *Omer de Serres v. Eric Maddeaux* (CIRA Dispute DCA-1005) the Panel stated that:

“Resolving a disputed domain name to a customized Internet portal...with a view to reaping a commercial advantage by attempting to capitalize on consumer confusion constitutes *prima facie* evidence of bad faith as per paragraph 3.7(c) of the Policy.”

In *Sleep Country Canada Inc. v. Pitfold Ventures Inc.*, (CIRA Dispute 0027), the use of a domain name “in association with a web page that linked to competitors of the Complainant, constituted the Registrant a competitor of the Complainant for the purposes of the CIRA Policy para. 3.7(c)”.

In *Coca-Cola Ltd. v. Amos B. Hennan* (CIRA Dispute 0014) it is stated that “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”. The Panel finds that the Registrant’s intention in registering a domain name can logically be inferred from the use to which the Registrant puts the domain name after registration. The Registrant used the Domain Name on a web site that was dominated by links to similar wares as that of the Complainant, wares sold by competitors of the Complainant, and links to the Complainant’s products. The disruption of the Complainant’s business caused by the Registrant’s website should have been obvious to the Registrant. The Panel finds it reasonable to infer that this was the intention formed by the Registrant when he registered the Domain Name. Further, the use on that

website of links to businesses competing with the Complainant supports the inference by the Panel that the Registrant registered the Domain Name primarily for the purpose of disrupting the business of the Complainant.

Furthermore, the Registrant offered to sell the Domain Name for \$5,000. It is clear from the Registrant's conversations with the Complainant's representatives that he wished to profit from the selling of the Domain Name and to sell it for much more than the actual costs in registering the Domain Name. The lack of legitimate interest in the Domain Name and the fact that the Registrant Domain Name resolved to a pay-per-click page further supports the fact that the Registrant registered the Domain Name primarily for the purpose of selling the Domain Name for valuable consideration in excess of the Registrant's actual costs in registering the Domain Name and to disrupt the business of the Complainant.

The Panel is of the view that the Complainant has met its burden of evidence and that the Registrant registered the Domain Name in bad faith, pursuant to Section 3.7(a) and (c) of the Policy.

CONCLUSION AND DECISION

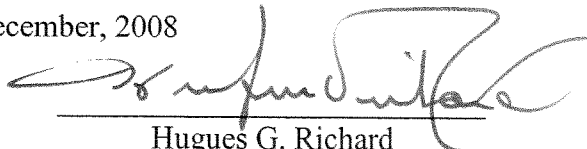
61. The Panel has decided as follows:

- (a) The Complainant is an eligible complainant.
- (b) The Registrant's Domain Name is Confusingly Similar to the Discovery Toys registered Mark, in which the Complainant had rights before the Registration of the Domain Name, and continues to have such Rights.
- (c) The Registrant has no legitimate interest in the Domain Name.
- (d) The Registrant has registered the Domain Name in bad faith.
- (e) The Complainant has satisfied its onus obligations under paragraph 4.1 of the Policy.

ORDER

62. Based on these conclusions, the Panel decides these proceedings in favour of the Complainant and orders that the Registration of the Domain Name be transferred to the Complainant.

Made this 16th day of December, 2008



Hugues G. Richard
Panelist