

**IN THE MATTER OF A COMPLAINT PURSUANT TO THE CANADIAN
INTERNET REGISTRATION AUTHORITY (“CIRA”) DOMAIN NAME
DISPUTE RESOLUTION POLICY (“POLICY”)**

Complainant: UAP Inc.
Complainant’s Representative: Lavery, de Billy, LLP, Montreal Quebec
Disputed Domain Name: napa.ca
Registrant: Jim Strater
Registrant’s Representative: Robic, LLP, Montreal Quebec
Registrar: Namespro Solutions Inc.
Panel: David Lametti, Denis Magnusson (Chair), Teresa Scassa
Service Provider: Resolution Canada

DECISION

Parties

The Complainant is UAP Inc., a corporation incorporated under Quebec company law, with a business office in Montreal Quebec. The Registrant is Jim Strater. The Response states that this Registrant is a nominal registrant for the beneficial owner of the registration, 16866808 Ontario Inc., a corporation wholly owned by Ilze Kaulins-Piaskacz a resident of Ottawa, Ontario.

Disputed Domain Name and Registrar

The disputed domain name is napa.ca, registered by Ilze Kaulins-Piaskacz, a predecessor in title to the present nominal registrant, on May 12, 2002. The Registrar is Namespro Solutions Inc.

Procedural History

The Complainant filed this Complaint with the Provider, Resolution Canada, which found the Complaint in compliance with the *CIRA Domain Name Dispute Resolution Rules* (“Rules”) and transmitted the Complaint to the Registrant.

The Registrant filed a Response.

The Provider appointed David Lametti, Denis Magnusson (Chair), and Teresa Scassa as the Panel to decide this dispute.

Relief Requested

The Complainant requested that the Panel order that the ownership of the domain name be transferred from the Registrant to the Complainant.

The Registrant requested that damages be awarded for “reverse domain name hijacking” as permitted under Rules 12.6.

The Complainant

The Complainant is UAP Inc., a corporation incorporated under Quebec company law. The Complaint states that UAP Inc. is a wholly owned subsidiary of Genuine Parts Company, a U.S. corporation based in Atlanta, Georgia USA. Genuine Parts Company, it is stated, also owns National Automotive Parts Association (NAPA). National Automotive Parts Association has

registered trademarks with the Canadian Intellectual Property Office (CIPO), which trademarks the Complainant asserts have been licensed for exclusive use in Canada to the Complainant UAP Inc.

The Registrant

The Registrant of record is Jim Strater. The Response states that the disputed domain name was originally registered by Ilze Kaulins-Plaskacz, a resident of Ottawa, Ontario. The Response further states that ownership of the domain name registration was transferred by Ilze Kaulins-Plaskacz to 1686808 Ontario Inc., a corporation of which Ilze Kaulins-Plaskacz was and is the sole owner, officer and director. The Response also states that upon receipt of communication from the Complainant that the Registrant might be involved in a CDRP dispute over the **napa.ca** domain name, Ilze Kaulins-Plaskacz caused 1686808 Ontario Inc. to transfer ownership of the domain name registration to the nominal registrant of record Jim Strater, who would hold that registration for the benefit of the beneficial owner 1686808 Ontario Inc.

Procedural History: Identifying the Registrant

In September 2009, while the domain name was still registered in the name of 1686808 Ontario Inc., the Complainant's solicitors sent a demand letter to the then registrant asking that the domain name registration be transferred to the Complainant. In October, 2009 the then Registrant responded through its solicitors proposing a coexistence agreement under which the Registrant would not permit the domain name to be used to resolve to any site featuring the goods or services for which the Complainant's Mark, a trademark registered with the CIPO, was registered.

In late November 2009, the then registrant of the disputed domain name, 1686808 Ontario Inc., caused the ownership of the registration to be transferred to Jim Strater as a nominal holder of the registration. This was done, the Response states, to avoid the impact of the CIRA practice that a CDRP proceeding involving any domain name will cause the registrations of all domain names of the same owner to be frozen, preventing the owner from dealing with those other domain names until the dispute is resolved.

When the domain name registration was transferred to the name of Jim Strater, an individual, the current CIRA default privacy policy automatically applied to block Whois access to information about the identity of the owner of the registration. The Response states that this was inadvertent, and that there was no intention to block access to information about the registrant.

In mid-December, 2009, the Registrant's solicitors received instructions to close the file on the pending domain name dispute as there had been no further communication from the Complainant about the dispute for a period of two months.

The Complainant continued to consider its position and at some point discovered the transfer of ownership of the disputed domain name registration to new (nominal) ownership with its blocked information about the owner. It appears that this raised the suspicions of the Complainant who enquired of the solicitors of record of the "former" domain name owner about whether they represented the "new" domain name owner. The solicitors informed the

Complainant that they no longer represented the domain name owner and that the Complainant might best contact the new registered domain name owner directly.

Given the then blocked status of information about the new owner of the domain name, this would not have been a simple matter of contacting the registered owner directly (its is not clear whether the solicitors of the former registered domain name owner knew that this information was blocked when they made their recommendation). As the Response points out, CIRA does provide for a process in which a would-be Complainant can send a message via CIRA to an information-blocked registrant of a domain name, without the identity of the Registrant being disclosed.¹ CIRA cannot guarantee that the Registrant will respond to such a message. Thus, a person who has a good faith dispute with such a domain name Registrant can submit a request to CIRA to disclose the identity and location of the domain name Registrant.² The request for such disclosure requires substantial supporting information.

As the Response notes, for whatever reason, the Complainant did not avail itself of these procedures to communicate with and locate Registrant of the domain name.

That said, the Panel notes that the Complainant was faced with a situation in which it had first found a concerning domain name registration for which the identity of the Registrant was fully disclosed. The Complainant had communicated with that Registrant to demand a transfer of the domain name and had received a communication from the solicitor of the Registrant. Later, the Complainant discovered that the domain name had been transferred to new ownership, the identity of which was blocked. When the Complainant enquired of the solicitor of the former domain name owner about the new owner, the Complainant received the terse, though quite proper, response that the solicitor no longer represented the domain name owner and that the Complainant might best directly contact the new domain name owner. Of course, the identity of that domain name owner was blocked. That fact, coupled with the fact that the disputed domain name had been used to resolve to a web site linked to competitors of the Complainant, appears to have led the Complainant to infer that the anonymous domain name Registrant was acting in Bad Faith.

The CIRA registrant privacy policy is hardly the first law or policy to have unfortunate unintended consequences. Future would-be Complainants (and Registrants) might avoid some grief by being alert to the prospect of such consequences.

Onus on Complainant

Policy 4.1 requires that:

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

¹ Interested Party Contact: Message Delivery Form. <https://registrants.cira.ca/message/delivery/en>

² Request for Disclosure of Registrant Information - Rules and Procedures, Version 1.4.
<https://www.cira.ca/assets/Documents/Legal/Dispute/disclosureregistrant.pdf>

- (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.
[Emphases added]

(a) Confusingly Similar

Marks in Which Complainant Had and Has Rights

Policy 3.2(c) defines “Mark” as including a trademark registered in the Canadian Intellectual Property Office (“CIPO”). The Registrant relies on the registration of the trademark NAPA³ for among other wares, motor vehicle parts and accessories, and for the services, operation of distribution centres for automotive parts. This trademark was registered on July 7, 1989 by National Automobile Parts Association, with the geographic address of Atlanta, Georgia USA, and that registration remains current with National Automobile Parts Association as the registered owner of the trademark registration.

The Complaint asserts that the Complainant has Rights in this registered trademark as it is the exclusive licensee for use of that trademark in Canada from the registered owner the trademark which is also the parent company of the Complainant.

The Response invites the Panel to question whether the Complainant actually has Rights as the claim is based solely on the assertion in the Complaint that such Rights (through the licence) exist. While the Panel shares some of the concern expressed in the Response on this point, the Panel is not prepared to decide this matter on the basis that the Complainant has failed to establish that it has Rights in the Mark. It might have been good practice for the Complainant to support the claim to the existence of the licence by including some communication in the Complaint from the registered owner confirming the existence of the licence.⁴ Nevertheless, a statement of fact made in the Complaint or the Response is to be given some weight, unless the Panel finds reasons not to give such statement any weight in the light of all the circumstances of the case. In this case, the Panel is comforted in giving weight to the statement that the licence exists by the facts that the authorized representative of the Complainant, the Lavery, de Billy law firm, is the same as the registered trademark owner’s registered representative for service in the NAPA CIPO trademark registration.

³ The NAPA mark is registered under the *Trade-marks Act* under a particular category of trademark, i.e., as a certification mark. See *Trade-marks Act* s. 2 “trade-mark” part (c) and “certification mark”; and also ss. 23 – 25. The fact that the registration is as a certification mark and not an ordinary trademark does not affect this dispute regarding the registered domain name. The Complaint also refers to other CIPO registrations of trademarks comprising “napa”, in which the Complainant claims rights, which marks the Panel finds it unnecessary to consider in this decision.

⁴ Since the change in the law governing the licensing of CIPO registered trademarks, abolishing the requirement of registering a licensee as a Registered User, there is no public record of who are licensees of a CIPO registered trademark.

While the above explanation satisfies the requirement that the Complainant show that it *has* (at the time of the Complaint) Rights in a Mark, there remains the requirement that the Complaint show that it *had* Rights in the Mark prior to the date of the registration of the disputed domain name, May 12, 2002. We know from the CIPO trademarks register that the owner of the trademark registration, National Automobile Parts Association, had Rights in the registered trademark NAPA as of July 7, 1989, well before the date of the registration of the disputed domain name. However, we do not know as of what date the Complainant, as licensee of the registered trademark, acquired Rights in the Mark, and thus whether that date was prior to the date of registration of the disputed domain name. It might have been good practice to inform the Panel of the date of that licence in the Complaint through including communication from licensee and licensor. However, the owner of the registered trademark and current licensor of that trademark to the Complainant clearly did have Rights in the Mark prior to the date of the disputed domain name registration. Even if the date of the exclusive licence to the Complainant is after the date of the registration of the disputed domain name, the Complainant's necessary claim to have had rights in the Mark prior to the date of registration of the domain name falls within CIRA Policy 3.3

3.3 Rights. A person has “Rights” in a Mark if:

(b) in the case of paragraph 3.2(c) [a trade-mark . . . that is registered in CIPO] the Mark is registered in CIPO in the name of that person, *that person's predecessor in title or a licensor of that person*; [emphasis added]

In summary, while the Panel was required to make some inferences from the pleaded facts to reach the conclusion, the Panel concludes that the Complainant has Rights in the Mark and had Rights in that Mark prior to the date of the registration of the disputed domain name.

Confusingly Similar

Policy 3.4 defines “Confusingly Similar”:

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.

The Mark is the registered trademark NAPA. The domain name in dispute is **napa.ca**. In assessing Confusingly Similar the dot-ca suffix is ignored, as is capitalization. The Mark and the domain name are identical and so are Confusingly Similar.

b) Bad Faith

Policy 3.7 has a restrictive definition of what can constitute the Registrant's necessary Bad Faith in registering the domain name. That definition states that there will be Bad Faith, “*if, and only if*” one or more of three specific circumstances obtain.

(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

The Complainant made no submissions with regard to finding Bad Faith under the above head of Policy 3.7. The Panel sees no reason to conclude that there was Bad Faith under this head.

(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.

The Complainant's chief submission concerning the alleged Bad Faith of the Registrant was with respect to Policy 3.7(c).

i) Prior CDRP Decisions Cited in the Complaint

The Complaint noted that, at least as of August 10, 2009, the disputed domain name **napa.ca** resolved to a web site featuring several images of cars and links labeled, among others, "car covers", "car muffler", "exhaust systems" and under the heading "Top Five Links" links labeled, among others, "car battery price" and "auto maintenance". The Complaint noted that some of those links resolved to the websites of enterprises that are competitors of the Complainant in the auto parts market. The Complaint cited earlier CDRP decisions in which the use of a disputed domain name to send Internet users directly or indirectly to the web sites of competitors of the Complainant constituted disrupting the business of a competitor under Policy 3.7(c).⁵

In explanation, the Response states that the Registrant has a practice of registering domain names on a speculative basis looking to selling or leasing them for profit. Pending such sale or lease, the Registrant's practice is to link its registered domain names with "parking service" providers who use the domain names to link to various advertisers who pay the parking service for the links, the Registrant domain name owner receiving a portion of the payment as compensation for the parking service using the Registrant's domain names. It was through such a parking service that the link between the **napa.ca** domain name and the web site referred to above occurred. The Response states that the parking service used by the Registrant at the time of the delivery of the Complainant's first notice, on September 18, 2009 did not permit domain name owners "to select or exclude specific categories of wares, service or businesses from the content of landing pages" The Response further states that, "the landing pages displayed sponsored links that were automatically and dynamically selected and renewed by the provider's system on a continuous basis using its own algorithms, over which the Registrant had no control".

The Response states that the domain name Registrant was unaware of the existence of the Complainant, of the Complainant's licensor National Automobile Parts Association, and of the NAPA trademarks registered for use in association with auto parts and related items, until September 18, 2009 when the Registrant received a demand letter from the Complainant's solicitor.

When the Registrant received the above solicitor's letter, it appears that the Registrant took steps to ensure that it used a parking service that would not use its **napa.ca** domain name to resolve to sites that linked to suppliers of auto parts or other goods and services for which the Complainant's NAPA trademark was registered. As the Complaint notes, the **napa.ca** domain

⁵ FreemantleMedia North American Inc. v. Dave Leather aka Dave Van Stone; CDRP Dispute 00146, Feb 25, 2010

name currently resolves to a site (presumably linked through a parking service) which features only links related to wines, and to Napa Valley and other California wines in particular.

Further, the Complaint refers to the CDRP *canasa.ca* decision⁶ in which the Panel ruled that when a Registrant used a domain name Confusingly Similar to the Complainant's Mark to resolve to sites that are part of a pay-per-click service, this constitutes disruption of the business the Complainant conducts in association with that Mark, whether or not the links at the pay-per-click service have any relation to the goods or services offered by the Complainant in association with its Mark. The *canasa.ca* Panel also ruled that a domain name owner that used a domain name that incorporates another person's trademark to divert traffic to a pay-per-click site is a competitor of that person. Under this analysis the two requirements of Policy 3.7(c) are satisfied, *i.e.*, disruption of business and being a competitor.

In addition, the Complaint refers to several prior CDRP decisions⁷ the overall effect of which, the Complaint submits, is: when a Registrant has registered a domain name which consists wholly or largely of the Complainant's Mark, and when that domain name has no obvious connection to the Registrant's business, and when the Registrant has used the domain name to resolve to *any* web site other than the Complainant's, the effect of the Registrant's actions is to disrupt the business of the Complainant, and further, a Panel may reasonably infer that the Registrant intended to create the resulting effect, and thus, the Panel can infer that the Registrant acted in Bad Faith.

This Panel, when considering Policy 3(c), can accept the general logic of the above analysis to find disruption of business and an inferred intent to disrupt. However, Policy 3(c) also requires that the intent to disrupt be directed at a *competitor* of the Registrant. This Panel can't accept that the above analysis leads, without more, to a finding that the Registrant is acting as a competitor of the Complainant, *i.e.*, that the Registrant using the domain name to resolve to *any* website other than the Complainant's is sufficient, without more, to constitute the Registrant a competitor of the Complainant.

As already noted in these reasons the Complaint points to prior CDRP decisions in which the Registrant has used the domain name to resolve to a pay-per-click site, through which the Registrant derives revenue from the use of the domain name. The logic of such cases is that a Complainant could, if it had the registration of the disputed domain name which is Confusingly Similar to its Mark, also use that domain name as the Registrant has used it to link to a pay-per-click site to secure the revenue for itself. Therefore the Registrant is competing with the Complainant for pay-per-click revenue.

However, that line of decisions cannot mean that if the Registrant uses the domain name to resolve to a holding site which generates no revenue for the Registrant, the Registrant is, without more, to be seen as a competitor of the Complainant. One of the prior decisions of the line of

⁶ *Canadian Security Association v. 1687734 Ontario o/a Trademark Protection*, CDRP Dispute 00132, Jun 19., 2009

⁷ *Ablesoft Corporation v. Gabi Smith o/a Health-pages.ca* CDRP Dispute 00095, 6 Mar 2008; *Genzyme Corporation v. Johnny Carpela*, CDRP Dispute 00090, Nov 9, 2007; *Johnson & Johnson v. Globe Media International Corporation*, CDRP Dispute 00098, Mar 11, 2008;

cases cited in the Complaint illustrates this point -- in that case while the domain name used by the Respondent resolved to an apparently non-revenue generating holding site, there was other evidence showing that the Registrant was in a service business directly competing with the Complainant's service business.⁸

ii) This Case

There is an important difference in the facts of this case and the facts of those prior decisions cited in the Complaint. In those cases the disputed domain name consisted in whole or large part of the Complainant's Mark, where that Mark had a significant degree of inherent trademark distinctiveness. That is, the content of the Mark was not obviously or largely simply descriptive of or the name of goods, services, places, etc. Thus in those cases, when making inferences as to how the Registrant came to adopt a domain name in that form, the logical inference was that the Registrant knew of the Registrant's Mark, anticipated that its domain name would be Confusingly Similar to that Mark, and anticipated that the business disruption effects would follow from the Registrant's use of that domain name.

The facts of this case are different. The content of the domain name (and the Complainant's Mark) is inherently the name of a place, the Napa Valley of California, which is known as the source of a product, wine. Thus, when considering the *mere* fact that the Registrant adopted a domain name consisting exclusively of the word "napa", we cannot certainly infer that the Registrant knew of the Complainant's Mark, understood that the domain name was Confusingly Similar to that Mark, and intended that the business disruption of the Complainant follow from the Registrant's use of the domain name.

The Response, supported by a sworn affidavit of Ilze Kaulins-Plaskacz the sole owner of 1686808 Ontario the beneficial owner of the disputed domain name, states that when Ms. Kaulins-Plaskacz decided to register the domain name **napa.ca** she was unaware of the existence of the Complainant, of the National Automobile Parts Association, and of the registered trademark upon which the Complainant relies. Ms. Kaulins-Plaskacz states that she registered **napa.ca** with the intent of selling or leasing the domain name to some undetermined person in the wine industry interested in the term "Napa" as descriptive of the origin of wines produced in the Napa Valley. In support of this fact Ms. Kaulins-Plaskacz notes that she registered the domain name **napavalley.ca** for the same purpose. While the latter domain name was not registered until five years after the registration of the disputed domain name **napa.ca**, it was registered on August 25, 2007, two years before Ms. Kaulins-Plaskacz received the demand letter from the Complainant's solicitors, which letter Ms. Kaulins-Plaskacz states first alerted her to the existence of the Complainant and the Complainant's Mark.

Policy 3.7(c) requires that the Panel find that the Registrant adopted the disputed domain name *primarily for the purpose of* disrupting the business of the Complainant. The most telling evidence suggesting this purpose is the fact that for some period prior to the Registrant receiving the Complainant's solicitor's letter in September, 2009, the domain name resolved to a site featuring links to competitors of the Complainant in the auto parts business. The Response seeks to explain this fact by noting that the Registrant has registered many domain names in her business of speculating in domain name value, and that her practice is simply to link her many

⁸ *Ablesoft Corporation v. Gabi Smith o/a Health-pages.ca* CDRP Dispute 00095, 6 Mar 2008

domain names in bulk to domain name parking services to secure some revenue while awaiting the opportunities to deal profitably with each of the domain names, and implicitly that the Registrant has not had a practice of closely monitoring to what further links the domain name parking service links each of her many domain names.

In assessing the likelihood of the Registrant having registered the disputed domain name in Bad Faith, the Panel returns to the inherent nature of the content of the domain name. The Complainant referred us to its family of CIPO trademark registrations containing the element “napa”, which totaled 31 such registrations. A search of the CIPO trademarks database for marks containing the element “napa” reveals 75 such registrations, thus 44 of which are not associated with the Complainant or the Complainant’s parent company. Very many of those registrations which are not associated with the Complainant or its parent are for various wine products. We recall Ms. Kaulins-Plaskacz’s protestations that she registered the disputed **napa.ca** domain name thinking of a potential sale to a person engaged in the wine industry.

The Panel is troubled by the evidence of a period during which the domain name was linked to sites of competitors of the Complainant prior to the Registrant’s receipt of the demand letter from the Complainant. Nevertheless, the burden of proof applied to Policy 3.7(c) is on the Complainant to establish, on the balance of probabilities, that the Registrant registered the domain name *primarily for the purpose of disrupting the business of the Complainant*. The Panel finds that the Complainant has failed to meet that burden.

(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;

The Complaint also made submissions with regard to finding Bad Faith under Policy 3.7(b). Above, the Panel has found that the Complainant has not proved that the Registrant registered the domain name knowing of, and intending to appropriate in domain name form, the Complainant’s Mark. With that finding, the Complainant cannot establish that the Registrant registered the domain name to prevent the Complainant from registering its Mark as a domain name.

c) Legitimate Interest

While the Panel has found that the Registrant’s domain name is Confusingly Similar to the Complainant’s Mark, the Panel has found that the Complainant has failed to meet the burden of proving that the Registrant registered the domain name in Bad Faith. Consequently, it is unnecessary for the Panel to consider whether the Registrant had a Legitimate Interest in the domain name.

Registrant's Claim re Alleged Bad Faith of Complainant

The Registrant submitted a claim for monetary compensation under Rules 12.6:

12.6 Bad Faith of Complainant. If the Panel finds that the Complaint was commenced for the purpose of attempting, unfairly and without colour of right, to cancel or obtain transfer of any Registration which is the subject of the Proceeding, the Panel shall so declare in its decision and support with reasons that the Complaint was brought for such purpose. If the Panel makes such a finding, the Panel shall order the Complainant to pay to the Provider in trust for the Registrant an amount of up to five thousand dollars (\$5000) to defray the costs incurred by the Registrant in preparing for, and filing material in, the Proceeding. [emphasis added]

The Complainant had Rights in a Mark stemming from the registration by its licensor of a trademark in the CIPO consisting of "NAPA" well before the registration of the disputed domain name napa.ca. This establishes that the Complainant had a colour of right.

The Panel concludes that the Registrant's claims for compensation under Rules 12.6 should be rejected.

DECISION AND ORDER

The Complaint does not succeed, having failed to establish that the Registrant registered the domain name in Bad Faith.

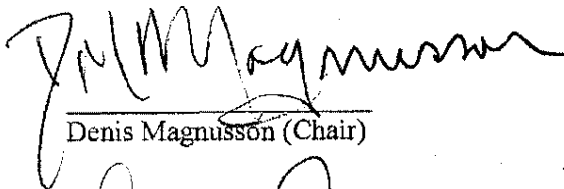
The Panel does **not** order the ownership of the disputed domain name be transferred to the Complainant.

The Panel does **not** order that the Registrant receive compensation under Rules 12.6.

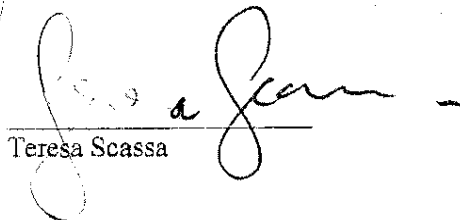
August 3, 2010



David Lametti



Denis Magnusson (Chair)



Teresa Scassa