

**CANADIAN INTERNET REGISTRATION AUTHORITY
DOMAIN NAME DISPUTE RESOLUTION POLICY**

DECISION

Domain Name: bagbalm.ca

Complainant: Dr. A.C. Daniels Co. Ltd.

Registrant: 9097-2340 Quebec Inc.

Registrar: Canadian Domain Name Services Inc.

Service Provider: ResolutionCanada Inc.

Panelists: Eric Macramalla (Chair), Tim Bourne, David Allsebrook

A. THE PARTIES

1. The Complainant is Dr. A.C. Daniels Co. Ltd. (the “Complainant”).
2. The Registrant is 9097-2340 Quebec Inc. (the “Registrant”).

B. DISPUTED DOMAIN NAME & REGISTRAR

3. The disputed domain name is bagbalm.ca (the “Domain Name”) and the Registrar is Canadian Domain Name Services Inc.

C. PROCEDURAL HISTORY

4. This is a dispute resolution proceeding initiated pursuant to the *CIRA Domain Name Dispute Resolution Policy* (the “Policy”) and the *CIRA Policies, Rules, and Procedures - CIRA Domain Name Dispute Resolution Rules* (the “Rules”). By registration of the Domain Name with the Registrar, the Registrant agreed to the resolution of this dispute pursuant to the Policy and the Rules.
5. The Complainant filed its complaint (the “Complaint”) on November 8, 2012. The Date of Commencement of the proceeding was November 9, 2012.
6. The Registrant’s Amended Response was issued December 6, 2012. The initial Response was sent on November 28, 2012, but was deemed non-compliant. The Amended Response cured the deficiencies and was accepted by ResolutionCanada.
7. On December 13, 2012, the Panel was appointed. As prescribed by the Policy, the Panel has declared to the Provider that it can act impartially and independently in connection with this matter, and that there are no circumstances known to the Panel which would prevent it from so acting.

D. CANADIAN PRESENCE REQUIREMENTS: ELIGIBILITY OF THE COMPLAINANT

8. The Complainant is the owner of a Canadian trade-mark registration for BAG BALM. The Panel is therefore satisfied that the Complainant is eligible to initiate these proceedings.

E. THE POSITIONS OF THE PARTIES

The Complainant's Position

9. The Complainant is the owner of the Canadian trade-mark registration BAG BALM, Registration No. TMA 489,859 (the "BAG BALM Trade-mark"). The BAG BALM Trade-mark achieved registration on February 12, 1998 and claims use in Canada since at least 1930.
10. The Complainant, and its predecessor-in-title, have used the BAG BALM Trade-mark in Canada since at least as early as 1930, a period of over 80 years. The BAG BALM product is an ointment developed to treat minor livestock wounds and inflammations, and to sooth irritation on cows' udders after milking.
11. The BAG BALM product is sold in a distinctive green coloured can.
12. The Complainant has longstanding trade-mark rights in the BAG BALM Trade-mark in association with the udder ointment for dairy cattle.
13. In the early 2000s, the Complainant's business grew dramatically when celebrity and country singer Shania Twain endorsed the BAG BALM product. Ms. Twain mentioned in an interview that the product replenished her skin and hair. The endorsement sparked great media interest in the product and resulted in significant growth for the Complainant's business.
14. On March 18, 2003, the Registrant registered the Domain Name in an attempt to capitalize on the Complainant's growth and reputation. The Complainant was unaware of the registration until July 2012.
15. A copy of the Registrant's bagbalm.ca website from February 6, 2005 includes a posting whereby the Registrant refers specifically to the Shania Twain interview, and specifically to its ability to soften skin. The website offered the BAG BALM product for sale – and no other product. The website also referred to the Registrant as "Team BagBalm" despite not being associated with, or otherwise connected to, the Complainant. This information was provided under the "About Us" Section of the Registrant's website.
16. Today, the Registrant's website continues to sell the BAG BALM Product. However, the content in the "About Us" section has since been removed. The website features a photograph of the Complainant's distinctive green coloured can. The website also features the following disclaimer: "We are not the manufacturers of Bag Balm."

17. Upon becoming aware of the Registrant's registration and use of the Domain Name, the Complainant issued a cease and desist letter dated July 12, 2012 requiring the transfer of the Domain Name. A follow-up letter was issued on July 19, 2012 following the Registrant's refusal to transfer the Domain Name.
18. In response to the Complainant's first letter, the Registrant indicated that it had purchased the BAG BALM product through the proper distribution channels, was using the site to sell the product, and that its site featured a disclaimer.
19. The Domain Name is confusingly similar with the BAG BALM Trade-mark. The Registrant does not have a legitimate interest in the Domain Name as it is not licensed, or otherwise authorized, to use the BAG BALM Trade-mark. The Registrant registered the Domain Name in bad faith in that it registered the Domain Name primarily for the purpose of disrupting the business of the Complainant, a competitor. Further, the Registrant registered the Domain Name to intentionally attempt to attract, for commercial gain, Internet users to its website by creating a likelihood of confusion with the Complainant's mark as to the source, sponsorship, affiliation, or endorsement.
20. The Complainant is seeking the transfer of the Domain Name.

The Registrant's Position

21. The Registrant purchased the product through legitimate distribution channels. It has been operating the bagbalm.ca website for 10 years and has never attempted to conceal the fact that it is not the manufacturer of the product. End users are also encouraged to read the site's disclaimer.
22. The Registrant's website has a singular mission, namely, to sell the BAG BALM product. The site does not promote the sale of any other product. Every sale of the product from the website has resulted in a direct sale for the Complainant and the Complainant has received all proceeds due.
23. The Registrant finds it hard to believe that the Complainant was not aware of its site until 2012, particularly since the Registrant's website is retrieved with favourable Internet standing among search results.
24. The Domain Name was not registered to disrupt the business of the Complainant. The Registrant never attempted to divert sales from the Complainant.

F. DISCUSSION & REASONS

25. In accordance with paragraph 4.1 of the Policy, to succeed in this proceeding, the Complainant must prove, on a balance of probabilities, that:
 - (a) the Registrant's Domain Name is Confusingly Similar to a Mark in which the Complainant had Rights prior to the date of registration of the domain name and continues to have such Rights; and

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

and the Complainant must provide some evidence that:

- (c) the Registrant has no legitimate interest in the Domain Name as described in paragraph 3.4 of the Policy.

CONFUSINGLY SIMILAR - PARAGRAPH 3.3

- 26. In order to satisfy this branch of the test, the Complainant must demonstrate (i) that it has rights in a mark, (ii) that the rights in its mark predate the registration date of the Domain Name, and (iii) that the Domain Name is confusingly similar with the disputed domain name.

Rights in the Marks & Rights that Predate the Domain Name Registration Dates

- 27. The Complainant's BAG BALM Trade-mark establishes the trade-mark rights in this case.
- 28. Where the Complainant relies upon a trade-mark registered prior to the domain name registration date, the Policy does not require or permit a Panel to go behind the registration to determine whether the mark is valid or invalid based upon lack of distinctiveness or non-use. In cases where a trade-mark registration matured to registration after the domain name registration date, or the Complainant is relying on common law rights, it must establish rights that predate the domain name registration.
- 29. The Complainant's trade-mark registration for BAG BALM issued to registration in 1998, which precedes the 2003 domain name registration date. Therefore, the Panel concludes that the Complainant has established rights that precede the registration of the Domain Name.

Confusingly Similar

- 30. As per paragraph 3.3 of the Policy, a domain name will be found to be confusingly similar with a mark if the domain name so nearly resembles the mark in appearance, sound or in the ideas suggested by the mark so as to be likely to be mistaken for the mark.
- 31. Pursuant to paragraph 1.2 of the Policy, a domain name is defined as the second level domain (the portion that immediately precedes the dot-ca suffix).
- 32. The test to be applied when considering "confusingly similar" is one of first impression and imperfect recollection. The Complainant must prove, on a balance of probabilities, that a person, as a matter of first impression, knowing the Complainant's corresponding marks only, and having an imperfect recollection of the marks, would likely confuse the Domain Name for the Complainant's marks based upon the appearance, sound or the ideas suggested by the mark.

33. It should be noted that the test for confusion under the Policy is not the same test for confusion set out under the Canadian *Trade-marks Act*. Under the Section 6(5) of the *Trade-mark Act*, when assessing the likelihood of confusion between marks, the factors to consider are as follows: (a) the inherent distinctiveness of the marks and the extent to which they have become known; (b) the length of time the marks have been in use; (c) the nature of the wares, services, or businesses; (d) the nature of the trade; (e) the degree of resemblance between the marks in appearance or sound or in the ideas suggested by them; and (f) the surrounding circumstances.
34. In contrast, the Policy provides that confusion is established if a domain name so nearly resembles a mark in appearance, sound or in the ideas suggested. This is similar to the test set out under Section 6(5)(e) of the *Trade-marks Act*. However, the remaining factors as set out under the *Trade-marks Act* do not apply to the assessment of confusion under the Policy. The Policy's summary proceedings are ill-suited for the in-depth and traditional confusion analysis contemplated by the *Trade-marks Act*.
35. The Domain Name is identical to the BAG BALM Trade-mark. Under the circumstances, the Panel concludes that the Domain Name is confusingly similar with the Complainant's BAG BALM Trade-mark, given that the Domain Name so nearly resembles the BAG BALM Trade-mark in appearance, sound and in the ideas suggested so as to be likely to be mistaken for the mark.

Conclusion - Confusion

36. The Panel finds that the Domain Name is confusingly similar with the BAG BALM Trade-mark in which the Complainant had rights prior to the registration date of the Domain Name, and continues to have such rights.

BAD FAITH REGISTRATION

37. The Complainant has alleged that the Domain Name was registered in bad faith pursuant to paragraph 3.5(d) of the Policy, namely that the Registrant registered the Domain Name to intentionally attempt to attract, for commercial gain, Internet users to its website by creating a likelihood of confusion with the Complainant's marks as to the source, sponsorship, affiliation, or endorsement.
38. Given that it is comprised exclusively of the BAG BALM Trade-mark, the Domain Name suggests a connection to the Complainant. Under the circumstances, a majority of the Panel is of the view that the Domain Name is likely to confuse potential consumers into believing that the Registrant is somehow affiliated with, or endorsed by, the Complainant.
39. Further, the Domain Name is being used in association with a website that is promoting the sale of BAG BALM product. This use of the Domain Name has put the Registrant in a position to reap a commercial or financial benefit.

40. The Domain Name is comprised exclusively of the BAG BALM Trade-mark. By adopting such a domain name, the majority of the Panel concludes that it becomes likely that consumers may be confused as to source or sponsorship. While a brand owner cannot be said to have exclusive rights in connection with all domain names that contain its mark, a domain name that is comprised only of its mark suggests that it resolves to the brand owner's website. For that reason, such a registration becomes problematic. Enhancing confusion is the use of the Complainant's photograph of its distinctive green coloured packaging on the Registrant's website. This same photograph appears on the Complainant's own website at bagbalm.com.
41. It should be made clear that "bad faith" as per the Policy is a term of art and not an indictment of a registrant.
42. In light of the foregoing, the majority of the Panel finds that the Complainant has established bad faith as per paragraph 3.5(d).

LEGITIMATE INTEREST

43. The final element to determine is whether the Registrant has a legitimate interest in the Domain Name.
44. As per paragraph 4.1 of the Policy, the Complainant must provide "some evidence that the Registrant has no legitimate interest in the domain name as described in paragraph 3.6".
45. Once this onus has been discharged by the Complainant, the Registrant may still succeed if it can show, on a balance of probabilities, that it has a legitimate interest in the Domain Name pursuant to paragraph 3.4.
44. A majority of the Panel finds that the Complainant has provided sufficient evidence that the Registrant does not have a legitimate interest in the Domain Name. The Complainant did not authorize the registration and the website is likely to mislead the public into believing that the Registrant is affiliated with, or endorsed by, the Complainant.
45. The Registrant's disclaimer is insufficient to legitimize the domain name registration. Certain Panels have held the view that a disclaimer may support a finding of no rights and bad faith on the basis that it is an admission that the domain name is likely confusing. However, this is to be evaluated on a case by case basis. In this instance, the disclaimer does not cure bad faith, nor does it legitimize the Domain Name.
46. In cases where a domain name is an exact match for a brand owner's trade-mark, the initial assumption will be that a registrant does not have a legitimate interest in said domain absent an agreement to the contrary between the parties. Nothing in the record displaces this assumption.

47. Accordingly, a majority of the Panel finds that the Registrant does not have a legitimate interest in the Domain Name.

DECISION & ORDER

48. For the reasons set out herein, the Panel decides this dispute in favour of the Complainant.
49. Pursuant to paragraph 4.3 of the Policy, the Panel orders the transfer of the domain name bagbalm.ca.

Dated at Ottawa, Ontario, Canada, this 16th day of January, 2013.

Eric Macramalla (Chair) and Tim Bourne (David G. Allsebrook's with dissent)



Eric Macramalla (Chair) for the Panel