

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

Domain Name: <sesamesnaps.ca>

Complainant: Agros Trading Confectionery SP. Z.O.O.

Registrant: David Michaels

Registrar: 10 Dollar Domain Names Inc. (10dollar.ca)

Panel: Sharon Groom, Alessandro Colonnier and Hugues G. Richard (Chair)

Service Provider: Resolution Canada Inc.

DECISION

THE PARTIES

1. The Complainant in this proceeding is Agros Trading Confectionery SP. Z.O.O. of ul. Jana Pawla II 15, 00-828 Warsaw, Poland, c/o Mr. Leon J. Melconian, Melconian Law Office, 145 King Street West, Suite 2000, Toronto, Ontario, Canada M5H 2B6 ("the Complainant").
2. The Registrant is David Michaels, 5230 Dundas St. W., Box 40571 Six Points Plaza, Etobicoke, Ontario, Canada M9B 6K8 ("the Registrant").

THE DOMAIN NAME AND REGISTRAR

3. The disputed domain name in this proceeding is < sesamesnaps.ca > ("the Domain Name").
4. The Registrar is: 10 Dollar Domain Names Inc.
5. The Domain Name was registered by the Registrant on February 15, 2012.

PROCEDURAL HISTORY

6. This is a proceeding under the Canadian Internet Registration Authority ("CIRA") Domain Name Dispute Resolution Policy (Version 1.3) (the "Policy") and the CIRA Domain Name Dispute Resolution Rules (Version 1.4) (the "Rules").
7. The history of the proceeding as provided by the dispute resolution provider, Resolution Canada, Inc. ("the Center"), is that the Complainant filed a complaint against the Registrant with the Center requesting that the current registration of the Domain Name < sesamesnaps.ca > be transferred to Agros Trading Confectionery SP. Z.O.O.
8. The Center served notice of the Complaint on the Registrant as required by paragraph 4.3 of the Rules. Service of the Complaint was made on May 12, 2014.
9. The Registrant delivered its Response, in accordance with the Policy and the Rules, to the Center on June 2, 2014.
10. The Complainant delivered a Response to Registrant's claim for costs, to the Center on June 25, 2014.
11. On June 20, 2014, the Center named Sharon Groom, Alessandro Colonnier and Hugues G. Richard (Chair) as the Panel. The members of the Panel have each signed an Acceptance of Appointment as Arbitrator and Statement of Independence and Impartiality.
12. The Panel has reviewed all of the material submitted by the Complainant and is satisfied that the Complainant is an eligible Complainant under the Policy and the Rules. The Complainant is a Polish company that owns several Canadian trademark registrations, including for the word mark "Sesame Snaps", registration no. TMA728, 997 which is identical to the disputed Domain Name. As such, the Complainant meets the Canadian Presence Requirements under paragraph 1.4 of

the Policy and paragraph 2(q) of the CIRA *Canadian Presence Requirements for Registrants*, Version 1.3.

13. According to the information provided by the Center, the Panel was required to deliver its decision on July 11, 2014.

FACTUAL BACKGROUND

14. The following information derives from the complaint.

15. The Complainant has been using the “Sesame Snaps” trade-mark and associated trade-marks in Canada since at least 1971 in association with confectionery products, namely sesame bars.

16. The Complainant is the owner of Canadian registered design trade-mark “Sesame Snaps”, TMA 332,105, used in association with sesame bars in Canada since 1971.

17. The word mark “Sesame snaps” was registered by the Complainant in the Canadian Intellectual Property Office (CIPO) under registration no. TMA 728,997 on November 20, 2008, prior to the registration of the subject Domain Name.

18. On November 20, 2008, the Complainant also registered a design “Sesame snaps” trade-mark claiming colour as a feature, notably red lettering surrounded by a blue border, registration no. TMA 728,998. All trade-mark registrations are in good standing.

19. Between 2003 and 2010 K-Max Corp. was an authorized distributor for the Complainant in Canada. The Registrant holds himself out as a “Brand Consultant” for K-Max corp., as illustrated by the email communication submitted by the Complainant at Tab B of the Complaint.

20. In 2012, when the disputed Domain Name was registered, the Complainant was no longer affiliated with K-Max Corp. or with the Registrant.

21. The Domain Name is identical with the Complainant's trade-mark and was registered on February 15, 2012, without the permission of the Complainant.

22. Around the time of the registration of the Domain Name by the Registrant, the Complainant learned that the Registrant and/or K-Max Corp. sold similar products to the Complainant under the name "Classic Sesame", using a similar logo to Complainant's "Sesame Snaps" trade-mark.

23. The Domain Name resolves to a website comprised of a single page, a copy of which is attached at Tab D of the Complaint. The top left corner of the page displays an image of the sesame bars distributed by the Complainant, in similar packaging to the packaging used by the Complainant when distributing its products to Costco, as illustrated at Tab E of the Complaint. At the bottom of the webpage the following disclaimer appears:

"Copyright. © 2010-2013. David Michaels, dba Sesame Snaps. All rights reserved.

Sesame Snaps is a trademark of David Michaels in Canada and the USA "

24. The Registrant is the registered owner or administrative contact of 269 domain names as shown in a copy of a WHOIS search regarding the domain name "sesamesnaps.biz", not disputed herein, at Tab J of the Complaint.

25. The following information derives from the Response.

26. The Registrant is the brand-consultant for K-Max Corp., a company that is the registered owner of the "Classic Sesame" trade-mark in Canada, registration no. TMA 830,204, registered on August 21, 2012.

27. The Registrant and K-Max Corp. would have obtained common law rights in the mark "Sesame Snaps" through a series of assignments originating from the initial owners of the "Sesame Snaps" brand, a now defunct company named Dalimpex, who was, according to the Registrant, the first importer and brand owner of "Sesame Snaps".

28. The Registrant intends to seek the expungement of the Complainant's "Sesame Snaps" trade-marks in Federal Court, on the basis of descriptiveness and lack of ownership rights in the marks.

29. The Domain Name has value to the Registrant; the Registrant intends to use the Domain Name in the future for the purpose of selling sesame food products.

PARTIES' CONTENTIONS

30. The Complainant alleges that:

- a) The Complainant has been using the "Sesame Snaps" trade-mark in Canada in association with the offering of sesame bars since as early as January 1, 1971 and is the registered owner of multiple "Sesame Snaps" trade-marks in Canada (TMA 332,105. TMA 728,998; TMA 728,997), all of them predating the date of the registration of the Domain Name by the Registrant.
- b) The Domain Name is confusingly similar to Complainant's trade-marks: the Domain name is identical to Complainant's "Sesame Snaps" trade-mark and consumers are bound to mistake it for the said trade-mark.
- c) The Registrant has no legitimate interest in the Domain Name because:
 - (i) The Domain Name is identical to the Complainant's trade-mark and the Complainant has not authorized the Registrant's use of the Domain Name.
 - (ii) The Registrant does not have any rights in the "Sesame Snaps" trade-mark.
- d) The Registrant has registered and is using the Domain Name in bad faith because:
 - (i) The Registrant has no genuine interest in the Domain Name: he has not included any links or other information relating to the sesame bars on the website resolving from the Domain Name, and the website has been

inactive for the past year and a half. It follows that the Registrant tried to tie up the domain name for the purpose of future sale to the Complainant or its competitor;

- (ii) The Registrant engages in a pattern of registering domain names in order to prevent others from registering marks as domain names, since the Registrant is the registered owner or administrative contact of 269 domain names;
- (iii) The Registrant indicates on the website resolving from the Domain Name that he is the owner of the "Sesame Snaps" trade-mark in Canada and in the USA, which is false;
- (iv) The Registrant registered the Domain Name primarily for the purpose of disrupting the business of a competitor, since he incorporated the Complainant's trade-mark in his domain name and used it to associate his business with that of the Complainant; the Registrant is also a competitor because the parties compete for internet traffic that would have otherwise been directed to the Complainant;
- (v) The Registrant intentionally attempted to attract Internet users by creating a likelihood of confusion with the Complainant's trade-mark, for obtaining commercial gain with respect to K-Max Corp.'s competing sesame snack product;
- (vi) The Registrant had knowledge of the Complainant prior to Registration of the Domain Name and registered it in order to capitalize on the Complainant's goodwill.

31. The Registrant alleges that:

- a) He obtained global common law rights to the trade-mark "Sesame Snaps" from K-Max Corp. via a handwritten assignment attached as Tab DD of the Response. In its turn, K-Max Corp. had obtained the rights in the "Sesame Snaps" trade-

mark in Canada from a now defunct company Dalimpex, the first importer of "Sesame Snaps" products in Canada in 1971.

- b) The Complainant's "Sesame Snaps" design trade-mark was actually designed by K-Max corp., which thus holds rights in the trade-mark; K-Max Corp. also designed and holds copyrights in the "Classic Sesame" design mark used in association with similar sesame products.
- c) The presumption of validity of the Complainant's registered "Sesame Snaps" trade-marks should thus be rebutted in this case.
- d) Due to the common law rights he holds in the trade-mark "Sesame Snaps" in Canada, the Registrant has a legitimate interest in the Domain Name.
- e) The Registrant will resume selling sesame bars in Canada once he has sought the expungement of the Complainant's Canadian "Sesame Snaps" trade-mark registrations.
- f) The Registrant did not register the Domain Name in bad faith. The words "Sesame Snaps" are generic of sesame food products and the Registrant should be able to register a domain name that includes generic words.
- g) In any case, the Complainant's claim is prescribed due to the 2 year limitation period that applies in Ontario, since the Domain Name was registered over two years ago.
- h) The Registrant seeks 5000\$ in costs as per s. 4.6 of the Policy.

RELIEF SOUGHT

32. The Complainant requests that the domain name be transferred from the Registrant to the Complainant.

CIRA DOMAIN NAME DISPUTE RESOLUTION POLICY

33. According to paragraph 4.1 of the Policy, in order to be successful, the Complainant must 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 registered the domain name in bad faith as described in section 3.5; and

(c) the Registrant has no legitimate interest in the domain name as described in section 3.4.

34. The Complainant must prove points (a) and (b) above on the balance of probabilities and for point (c) it must provide some evidence that the Registrant has no legitimate interest in the domain name.

35. Even if a Complainant proves (a) and (b) and provides some evidence of (c), the Registrant will succeed in the proceeding if he proves, on a balance of probabilities, that he has a legitimate interest in the Domain Name as described in paragraph 3.4 of the Policy.

36. The three elements in paragraph 4.1 are cumulative. They are considered below.

A. Confusing Similarity

37. The Complainant must first show that the Domain Name is confusingly similar to a mark in which the complainant has rights prior to the date of registration of the Domain Name and in which it continues to have such rights.

38. The Complainant registered the "Sesame Snaps" word trade-mark in Canada in 2008 (TMA 728,997). It also registered a "Sesame Snaps" colour design trade-mark in 2008 (TMA 728,998) and is the current owner of a "Sesame Snaps" design trade-mark that was registered in Canada in 1987 (TMA 332,105). These registrations are all based on use of the mark in Canada since as early as January 1, 1971, in

association with sesame bars. Since the Registrant registered the Domain Name <sesamesnaps.ca> on February 15, 2012, the Complainant's rights in the "Sesame Snaps" trade-mark precede the Domain Name registration date. The Complainant's "Sesame Snaps" trade-mark by itself satisfies the requirement of prior rights, as per paragraphs 3.1(a) and 3.2(c) of the Policy.

39. The Complainant has submitted at Tab E of the Complaint an image of the packaging used to sell its products to Costco. At paragraphs 10, 28 and 29 the Complainant attests to the continuous use of the marks, including for online sale and advertising at its website <http://www.agrostrc.com/>. There is thus some evidence showing that the use of the mark is continuing.
40. The Complainant has thus established its rights in the mark "Sesame Snaps" since prior to 2012, and has demonstrated that it continues to have these rights.
41. As per paragraph 3.3 of the Policy, a domain name will be found to be confusingly similar with a trade-mark if 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.
42. In this case, the Domain Name incorporates the entire mark "Sesame Snaps" and is identical with the mark. The test to be applied when considering confusing similarity is one of first impression and imperfect recollection¹ and the "dot-ca" suffix should be excluded from consideration, as per s.1.2 of the Policy. When those principles are applied, the disputed Domain Name is confusingly similar to the Complainant's "Sesame Snaps" trade-mark.
43. Accordingly, the Domain Name <sesamesnaps.ca> is confusingly similar with a mark in which the Complainant had rights prior to the date of the registration of the Domain Name and in which it continues to have such rights, namely the "Sesame Snaps" trade-mark.

B. Bad Faith

¹ *McKee Homes Ltd. v. Gerlinde Honsek, Resolution Canada*, Dispute No.: 00079, par. 41.

44. The Complainant also needs to establish, on a balance of probabilities, that the domain name was registered in bad faith. Paragraph 3.5 of the Policy lists non-exhaustive grounds that can constitute proof of bad faith.
45. Under subparagraph 3.5(a), bad faith can be found if the Registrant registered the Domain Name primarily for the purpose of selling, renting, licensing or otherwise transferring the Registration to the Complainant or its competitors for valuable consideration in excess of the registration and transfer costs.
46. There is no evidence that the Registrant's activities support bad faith under subparagraph 3.5(a). There is no proof that the Registrant offered to sell the domain name to the Complainant or its competitors. On the contrary, the Registrant reiterated his interest in maintaining control over the domain name for future use.
47. Subparagraph 3.5(b) allows a finding of bad faith if the Registrant registered the domain name in order to prevent the Complainant from registering the mark as a domain name, provided that the Registrant engages in a pattern of such behavior.
48. In this case, the registration of the Domain Name has prevented the Complainant from registering its "Sesame Snaps" mark as a .ca domain name. Given the long standing use and registration of the "Sesame Snaps" trade-mark in Canada by the Complainant, the Registrant must have had knowledge of the Complainant's mark at the time he chose to register a domain name that is identical with the said mark.
49. Evidence was adduced that the Registrant owns or is the administrative contact of 269 domain names, as it appears from the WHOIS search submitted by the Complainant in Tab J of the Complaint. A review of these domain names, which are all unrelated, indicates that the Registrant engages in a pattern of registering domain names to prevent rightful owners of trade-marks from registering them as domain names. Bad faith is inferred on this ground.
50. Subparagraph 3.5(c) provides that registering the Domain Name primarily for the purpose of disrupting the business of the Complainant, who is a competitor of the Registrant, is evidence of bad faith.

51. The Registrant makes currently no actual use of the website resulting from the Domain Name. At paragraphs 50 and 54 of the Response, the Registrant claims that once the Claimant's trade-marks are successfully expunged in Federal Court, he will resume selling sesame food products in Canada, including on the website resolving from the Domain Name.
52. The Claimant contends that the Registrant was its Canadian distributor of sesame bars between 2003 and 2010 (paragraph 18 of the Complaint). The Registrant denies this and claims that K-Max Corp. and its predecessors were more than just distributors for the Claimant; they were the importers and brand owners of "Sesame Snaps" products in Canada (paragraph 22 of the Response). In both cases, the Registrant was aware of the Claimant's "Sesame Snaps" registered trade-marks and of their long standing use in Canada at the time of the registration of the Domain Name. It is also clear, from the submission of both parties, that the Registrant and the Claimant were not affiliated in any way at the time of registration of the Domain Name. It can thus be inferred that the Registrant registered the Domain Name for the purpose of disrupting the Complainant's business.
53. The Registrant is a competitor of the Claimant, as he holds himself out at the brand consultant for K-Max Corp., an entity that designed and registered the "Classic Sesame" trade-mark in Canada in association with sesame bars and related wares (TMA 830,204), as per paragraph 40 of the Response. Tab B of the Complaint, email communication between the Complainant's attorney and the Registrant, also illustrates that the Registrant is affiliated with K-Max Corp.
54. The Registrant can thus be considered a competitor of the Complainant for the purpose of s. 3.5(c) of the Policy. Moreover, as per existing case law, the notion of competitor includes competing for online traffic, where the domain name is likely to mislead Internet users into believing that the Registrant is affiliated with the Complainant. Where the domain name is identical with the Complainant's trade-

mark, the Registrant is capitalizing on consumer confusion which makes the Registrant a competitor of the Complainant².

55. In order to have acted in bad faith, the competitor must have registered the domain name primarily for the purpose of disrupting the Complainant's business. In this case, it is likely that by adopting a domain name that incorporates in its entirety the Complainant's "Sesame Snaps" mark, the Registrant disrupted the Complainant's business and misdirected internet traffic that could have been otherwise captured by the Complainant.

56. The Panel notes that a search on the Internet Archive Way Back Machine shows that, on June 23, 2013 the website resolving from the Domain Name looked very similar to what it looks like at the time of the present proceedings. The top left corner of the webpage illustrates a box of sesame bars that looks identical to those sold by the Complainant. The disclaimer at the bottom of the page indicates that "Sesame Snaps is a trademark of David Michaels in Canada and the USA". The Registrant does not hold any registered trade-mark in Canada for the mark "Sesame Snaps"; it is the Complainant that is the registered owner of the "Sesame Snaps" trade-mark in Canada. The Registrant is thus misleading Internet users with respect to the present ownership of the "Sesame Snaps" trade-mark in Canada and he does so on a website resolving from a Domain Name that is identical with the said mark.

57. In light of the above, the Complainant has proven, on the balance of probabilities, that the Registrant registered the domain name primarily for the purpose of disrupting the business of the Complainant, that the Registrant is a competitor of the Complainant for the purpose of subparagraph 3.5(c) of the Policy, and that a finding of bad faith is justified under this ground.

58. Lastly, as per subsection 3.5(d) of the Policy, bad faith can be found whenever the Registrant has intentionally attempted to attract, for commercial gain, Internet users to the Registrant's website by creating a likelihood of confusion with the

² *McKee Homes Ltd. v. Gerlinde Honsek, Resolution Canada*, Dispute No.: 00079, pars. 50-52;

Complainant's Mark as to the source, sponsorship, affiliation or endorsement of the Registrant's website.

59. Given that the Domain Name is identical to the Complainant's "Sesame Snaps" mark, that the domain name was registered many years after the Complainant's registration and that the Registrant indicated planning to use the domain name for commercial purposes related to the sale of sesame products, the Panel can infer that such actions were done for commercial gain, whether or not such gain was already realized.
60. The Complainant's "Sesame Snaps" word mark has been registered in Canada since 2008 while the "Sesame Snaps" design mark that the Complainant currently owns was registered in 1987 based on use in Canada since as early as 1971. The Registrant was aware of the Complainant's mark at the time he registered the Domain Name in 2012. The Registrant had no authorization from the Complainant to use a domain name identical to the Complainant's registered trade-mark in order to capture Internet traffic.
61. It is therefore likely that the Registrant chose the Domain Name for the purpose of commercial gain, as the likelihood of confusion with the "Sesame Snaps" mark was sure to drive internet traffic to the Registrant's website.
62. The ensemble of circumstances lead the Panel to conclude that the Registrant intentionally attempted to attract, for commercial gain, Internet users to his website by creating a likelihood of confusion with the Complainant's "Sesame Snaps" mark as to the source, sponsorship, affiliation or endorsement of the Registrant's website.
63. The Panel finds that the Complainant has met its second burden of proof and concludes that the Registrant's registration was made in bad faith pursuant to paragraph 3.5 of the Policy.

C. Legitimate Interest

64. Paragraph 3.4 lists six circumstances that demonstrate a Registrant's legitimate interest in a domain name.
65. In this case, the domain name is identical with the Complainant's trade-mark and the Registrant has no rights in the "Sesame Snaps" registered trade-marks. Paragraph 3.4(a) is therefore not satisfied.
66. Secondly, the Registrant does not appear to have used the domain name in good faith in association with any wares, services or business. At the time of these proceedings, as illustrated by a screenshot of the Registrant's webpage dated April 21, 2014, at Tab D of the Complaint, the website is inactive and offers no information on how to purchase the product appearing in the top left corner, which is, once again, identical to the product sold by the Complainant under the "Sesame Snaps" mark.
67. The Registrant submitted a screenshot of his website as it was stored by the Internet Archive Way Back Machine on January 30, 2010, at Tab QQ of the Response. This screenshot indicates that K-Max Corp might have been using the website for commercial purposes at that date, since more details about the product were available at the time on the website. However at this point in time the Complainant had already registered the "Sesame Snaps" trade-mark in Canada and K-Max Corp. was, as per the Complaint, a distributor of the Complainant until 2010. As an authorized distributor for the Complainant, K-Max Corp could have made use of the "sesamesnaps.ca" domain name for commercial purposes until 2010, with the Complainant's consent. Although the Registrant claims that K-Max Corp. was more than merely a distributor for the Complainant, the proof adduced to support this claim is not conclusive.
68. The Registrant thus fails to meet the requirement of use under subparagraphs 3.4(b) or (c) on the balance of probabilities. Nor was the Registrant using the domain name in good faith in association with criticism, review or news reporting (paragraph 3.4(d)). Finally, the domain name is not the legal name or other identifier of the

Registrant (3.4(e)), nor is it the geographical name of the location of the Registrant's place of business (3.4(f)).

69. It results that none of the criteria in paragraph 3.4 have been satisfied. The Registrant failed to prove, on a balance of probabilities, that he has a legitimate interest in the Domain Name.

70. Although the Registrant contests the validity of the Complainant's trade-mark registrations, this forum is not the forum to be used to challenge the validity of a Canadian trade-mark registration. The Claimant holds valid, long standing registrations of the trade-mark "Sesame Snaps" in Canada in association with sesame bars. The Complainant's rights flowing from these registrations can only be challenged according to the provisions set out in the *Trade-marks Act*.

71. Finally, the Registrant's allegation that the Claimant's claim is statute barred is not tenable. The Registrant refers to the *United Press International, Inc. v. United Photographers Internationals* decision (Claim Number: FA1304001492678) to argue that the doctrine of laches applies to domain disputes. However, in that case the panel found that the Registrant had acquired rights in the domain name because it had been using it for commercial purposes for four years without opposition from the Complainant. In the case at bar the Registrant has failed to prove, on a balance of probabilities, that he has a legitimate interest in the Domain Name.

CONCLUSION AND DECISION

72. The Panel concludes that the Complainant has rights in the "Sesame Snaps" mark that predate the registration of the <sesamesnaps.ca> domain name by the Registrant. It also concludes that the domain name is confusingly similar to the Complainant's mark and that the Registrant has no legitimate interest in the Domain Name. Finally, it finds that the Complainant has shown that the Registrant registered the domain name in bad faith.

73. The Panel therefore orders, pursuant to paragraph 4.3 of the Policy, that the registration of the domain name <sesamesnaps.ca> be **transferred** to the Complainant, Agros Trading Confectionery SP. Z.O.O.

74. Since the Registrant was not successful, costs cannot be awarded as per s.4.6 as the Policy.



Hugues G. Richard (Chair)

Sharon Groom (Member of the Panel)

Alessandro Colonnier (Member of the Panel)

Dated: July 11, 2014