

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

Domain Name: DESIGNFIRST.CA

Complainant: Design First Kitchen & Bath Interiors Inc.
Registrant: Stone Beach Design Inc. (Design1st Inc.)
Registrar: Tucows.com Co.

Panel: David Allsebrook
David Lametti (Chair)
Eric Macramalla

Service Provider: ResolutionCanada

DECISION

A. The Parties

1. The Complainant is Design First Kitchen & Bath Interiors Inc., founded by Mr Friedemann Weinhardt. Its business address is 270 Richmond Road, Ottawa, Ontario K1Z 6X2. Its authorized representative in this dispute is Mr Nicholas McHaffie, of Stikeman Elliot LLP, Suite 1600-50 O'Connor Street, Ottawa, Ontario K1P 6L2.
2. According to CIRA registration records, the Registrant is Stone Beach Design Inc. Its administrative contact is Mr Kevin Bailey, 314 Athlone Avenue, Ottawa, Ontario K1Z 5M4. The Complainant lists the Registrant as Design 1st Inc., dba Design 1st Product Design Development. It has the same business address and lists Mr Kevin Bailey as its President. The Registrant's authorized representative is Mr Pierre Robichaud of Andrews Robichaud Professional Corporation, 1306 Wellington Street, Suite 500, Ottawa, Ontario K1Y 3B2.

B. The Domain Name and Registrar

3. The domain name at issue is DESIGNFIRST.CA.
4. The domain name is registered with Tucows.com.

C. Procedural History

5. On May 17, 2013, the Complainant submitted this Complaint to the Domain Name Dispute Resolution Provider, ResolutionCanada. The Complainant elected to have the matter heard by a single-member panel. The Provider served notice of the Complaint to

the Registrant as required by paragraph 4.3 of the *CIRA Domain Name Dispute Resolution Rules* (version 1.4) [“Rules”].

6. The Registrant responded, and a three-member panel was necessitated. The Complainant added a Reply.

7. The Provider therefore moved to compose the Panel and appointed panelists, all as governed by the Rules.

D. Panel Member Impartiality and Independence Statement

8. As required by paragraph 7 of the Rules, each panelist has declared to the Provider that he can act impartially and independently in this matter, as there are no circumstances known to any of them that would prevent them from so acting.

E. Canadian Presence Requirement

9. The Complainant is resident and does business in Canada, thus satisfying the Canadian Presence Requirement as stated in paragraph 1.4 of the *CIRA Domain Name Dispute Resolution Policy* (version 1.3) [“Policy”].

F. Factual Background

10. The Complainant company was founded in 1986 by Friedemann Weinhardt. Since that time it has continuously provided premium interior design and installation services. These services are primarily for kitchens and bath design, but also include other parts of the home and office.

11. The Complainant has won numerous design awards at the local, provincial and national level, as well as from appliance makers.

12. The Complainant has used DESIGN FIRST as an unregistered mark since its founding in 1986.

13. The Complainant registered DESIGN FIRST as a trademark in both words and design in November 5, 2012. These two trademark registrations are associated with interior design services, residential construction costing services, project management services in residential construction and architectural services.

14. The Complainant also owns the following domain name registrations:
designfirstkitchens.com (registered September 22, 1997);
designfirstinteriors.com (registered August 21, 2003);
designfirst.com (registered in February 26, 1997, acquired in September 2010);
and
designfirstinteriors.ca (registered September 6, 2011).

The Complainant, as pointed out by the Registrant, also registered the domain DESIGN-1st.CA on September 6, 2011.

15. All of these names resolve to the company website, which provides information on the Complainant: services, history, location, contacts and links, promotions and sample views of its work.

16. The Complainant submits that it has built up substantial goodwill in its name and associated trademarks and domain names.

17. The Registrant was founded in 1996, under the name Stone Beach Design Inc, offering design, engineering and manufacturing of various products. Its target clientele is inventors, entrepreneurs, start-up ventures and multinational companies in a wide variety of markets. It claims to have a highly specialized service catering to a highly specific and specialized clientele.

18. The Registrant changed its business name on March 12, 2001, first to i3 Design Development, and two weeks later to Design First Creation and Development Inc.

19. The Registrant shortly thereafter registered the domain name “DESIGN1st.CA” on March 20, 2001 and then the domain name at issue, DESIGNFIRST.CA, on April 5, 2001.

20. In March 2005, the Registrant’s company name was changed to Design 1st Inc. In March 2010, the Registrant’s company was converted from an Ontario to a federal corporation, keeping the Design 1st name. At that point, in 2010, it opened offices in Vancouver, Toronto and Montreal.

21. Like the Complainant, the Registrant has won awards and recognition for its work.

22. The Complainant sent a letter to the registrant on November 22, 2012 expressing concern over the use of the domain name and requesting a cessation of all uses of the domain name and the transfer of the domain name. The Complainant offered \$500 in compensation for out-of-pocket expenses for the transfer.

23. The Registrant through its legal counsel rejected the offer and maintained it would vigorously defend itself in any proceedings.

24. The Complainant filed this Complaint on May 17, 2013.

G. CIRA Domain Name Dispute Resolution Policy Requirements

25. The *CIRA Domain Name Dispute Resolution Policy* (version 1.3) [“Policy”] sets out at paragraph 4.1 what the Complainant must establish in order to successfully prove the Complaint:

To succeed in the Proceeding, 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
- (b) the Registrant has registered the domain name in bad faith as described in paragraph 3.5;

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.

Even if the Complainant proves (a) and (b) and provides some evidence of (c), the Registrant will succeed in the Proceeding if the Registrant proves, on a balance of probabilities, that the Registrant has a legitimate interest in the domain name . . .

26. The Panel will deal with each criterion in turn.

H. Is the Registrant's Domain Name Confusingly Similar to the Complainant's Mark?

27. Paragraph 3.2 of the Policy includes the following in the definition of what constitutes a "mark" for the purposes of the Policy:

A "Mark" is:

- (a) a trade-mark . . . or a trade name that has been used in Canada . . . for the purpose of distinguishing the wares, services or business of that person . . . from the wares, services or business of another person; [and]
- (c) a trade-mark . . . that is registered in CIPO . . .

28. The Complainant must establish trademark rights that precede the domain name(s) registration date(s). It has done so by asserting that it had begun to use the mark in 1986. Thus it had common law rights in the mark as of 1986.

29. The registration of the marks by the Complainant came more than ten years after the registration of the disputed domain name by the Registrant, and the commencement of the use of the domain name, as well as a similar business name, for the provision of different services in the wider Canadian market.

30. The Registrant concedes that the domain name at issue and the Complainant's mark are confusingly similar.

31. It should be noted however that the Registrant has not conceded, nor has the Complainant shown on the evidence, that there was confusion between clients, actual or prospective, of either company. Nor was likelihood of confusion demonstrated. The Panel also notes that the plain meaning in English of the words “design” and “first” are in part descriptive and in part “generic”, though they could develop sufficient good will to distinguish products or services.

32. Thus the Panel finds that Registrant’s domain names DESIGNFIRST.CA is confusingly similar with the Complainant’s registered marks in which the Complainant had common law rights prior to the registration of the substantially similar domain names.

I. Was the Registration of the Domain Name Made in Bad Faith?

33. In order to succeed in the second stage of the test set out in paragraph 4.1, the Complainant must show, on the balance of probabilities, that the Registrant registered the domain name in bad faith. Paragraph 3.5 of the Policy states that the Registrant will be considered to have registered the domain name in bad faith if one of the following four conditions is met:

For the purposes of paragraphs 3.1(c) and 4.1(b), any of the following circumstances, in particular but without limitation, if found by the Panel to be present, shall be evidence that a Registrant has registered a domain name in bad faith:

- (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;
- (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; or

- (d) the Registrant has intentionally attempted to attract, for commercial gain, Internet users to the Registrant's website or other on-line location, by creating a likelihood of confusion with the Complainant's Mark as to the source, sponsorship, affiliation, or endorsement of the Registrant's website or location or of a product or service on the Registrant's website or location.

34. These four criteria are exemplars of certain kinds of bad faith behaviour, and thus make possible other acts demonstrating bad faith. In this case, however, the Complainant concedes that Paragraphs 3.5 (a), (b) and (c) are not likely applicable to this matter, and frames its arguments under Paragraph 3.5(d). It also asserts an argument that the Registrant's behaviour is a species of non-enumerated bad faith. The Panel will deal with each argument in turn.

35. A recent addition to the CDRP, Paragraph 3.5(d), adds the practice of *intentionally attempting to attract users* for commercial gain as a listed criterion of bad faith where such is done by "creating a likelihood of confusion with the Complainant's Mark as to the source, sponsorship, affiliation, or endorsement" of what the Registrant has to offer on its website.

36. The Complainant maintains that: (1) the Registrant's website is for the purposes of commercial gain; (2) the Registrant has created a likelihood of confusion as to source, sponsorship, affiliation of endorsement; and (3) this conduct was intentional. In the view of the Panel, the Complainant falls short on the latter two counts, as well as on the kinds of commercial gain that are acceptable or not acceptable.

37. The Complaint fails to demonstrate bad faith behaviour on the part of the Registrant. Commercial gain as a motive for a website is not *per se* unacceptable. While the Registrant certainly wishes to make a profit, it does so in a very different design domain, and with a very different market. The Registrant is not a competitor of the Complainant; being a competitor is a factor that has been noted, and is often cited as a prerequisite, for the bad faith criterion in numerous domain name disputes. The Registrant has shown that it is attempting to use the domain name to advertise to its own client base, for its own services, in a market that – while it shares Ottawa and environs – is actually much wider than the Complainant's, including as it does Toronto, Montreal and Vancouver.

38. It follows that while the domain name as registered and the common law marks are conceded to be confusingly similar on paper, no evidence of actual or likely confusion has been offered. As stated, the services offered and markets catered to are different, one business is more local, the other much more national. Both are award-winning enterprises, and thus each is sufficiently distinct in its own sphere.

39. The Complainant fails to show that the Registrant was attempting to create any link to anything attached to the Complainant or its business. While it did register the domain name, and did intend to so register, the Registrant on the evidence did so only because the domain name reflected its chosen name for doing business. Its purpose appears to have

been legitimate, and independent of the Complainant. No evidence was proffered to show that the Registrant was intending to disrupt, take advantage of or benefit from any goodwill that the Complainant may have had in its own sphere of commerce.

40. While the Complainant has raised the fact that both companies currently have headquarters in the same area of Ottawa, the Registrant points out that it was a recent arrival to that district; at the point of registration and for a significant time afterwards the Registrant company had its offices in a different part of the city. In any event, geographical location is not necessarily linked to confusion, especially in the digital age.

41. The argument for bad faith based on Paragraph 3.5(d) thus fails.

42. The Complainant also maintains that the Registrant's behaviour is a species of non-enumerated bad faith, grounded in the larger proposition that Registrant was knowingly and intentionally attempting to harm the Complainant through its registration and use of the name, while benefitting itself. In effect, the Complainant is offering a recasting of the grounds of bad faith under the Policy. At paragraph 49 of the Complaint, it states:

49. The elements of this bad faith conduct can be summarized as follows:
- (i) The Registrant knew (or ought to have known) that the Complainant had rights in the Mark;
 - (ii) The Registrant knew (or ought to have known) that it did not have Rights or a legitimate interest in the Mark;
 - (iii) The Registrant registered as a domain name a Mark that is identical or virtually identical to the Complainant's Mark;
 - (iv) The Registrant knew that its registration of the Disputed Domain Name would prevent the Complainant from registering its Mark as a domain name;
 - (v) The Registrant is using the Disputed Domain name for its own commercial gain.

This enumeration is highly problematic because it: (1) folds both confusingly similar and legitimate interest into the test for bad faith, in a manner that appears to contradict the letter and the intent Policy; (2) appears to be re-arguing for the inclusion of part of Paragraph 3.5(b) – registering for the purpose of preventing the Complainant from having the mark – and (3) seems to make mere commercial gain an indicia of bad faith. While the Policy is not closed to new forms of bad faith, we must be careful not to re-cast criteria that are formally in the Policy or contradict current standards enunciated in the Policy.

43. This re-framed argument must fail on the evidence and for conceptual reasons. First, for conceptual reasons, the Panel hesitates to take the analysis of confusingly similar and legitimate interest out of their context in the Policy. While to some extent there may be overlaps, especially between acting in bad faith and acting with a belief in a legitimate interest, it would take further convincing to depart from the Policy. Thus the mere fact of having registered a similar or identical domain name (Complainant's point (iii)) is not in

and of itself determinative of bad faith. The question of legitimate interest (Complainant's point (ii)) is best left to the indicia offered under the Policy, and is discussed more properly in the next part of these reasons. Mere commercial gain is not in and of itself an indicia of bad faith (Complainant's point (v)) under the Policy, and to adopt this standard would change the Policy's balances. Commercial gain must be at the expense of the Complainant, and that likely means a sort of illegitimate or unfair competition with the Complainant in virtually all cases.

44. Turning to the evidence, the Complainant has not shown that the Registrant knew that the Complainant had rights in the mark when it registered the domain name. As a mark that is partly descriptive and partly generic, and given the distinct spheres of operation and clientele, it is quite conceivable that the Registrant had no idea of any distinctive use of the words "design first". The Complainant, as will be discussed in the next section, has also failed to show that the Registrant did not have a legitimate interest in the mark. On confusion, the Complainant has failed to show, despite the similarity in its mark and the domain name at issue, that there was any actual or likely confusion, especially in light of the nature, business history and sphere of activity of each company.

45. The fourth posited criterion, that the Registrant registered the domain name to prevent the Complainant from registering, has some merit as a free-standing argument. As framed it contains part of Paragraph 3.5(b) without the added factor of engaging in the practice of cyber-squatting (or indeed trying to re-sell, under Paragraph 3.5(a)). However, in our view, merely registering a domain name similar to a trademark is insufficient on its own to ground a finding of bad faith, as there may have been good faith reasons to have registered a similar or even identical domain name: legitimate interest, criticism, etc. Thus the Policy adds some other indicia of bad faith along with registration in its various criteria through Paragraph 3.5(a) to (d): registering to re-sell, cyber-squatting as part of a pattern, registering to disrupt, and registering to divert traffic by creating the impression of a link or affiliation. No other such indicia of bad faith is present in this case. Simply registering to prevent registration by the trademark holder – a species of disruption in a sense – might be conceivable as a bad faith practice, but it must at bottom be accompanied by good evidence that that was the primary purpose for the registration. Such was not the case in this instance as the Registrant appears to have registered for entirely good faith reasons related to its own business.

46. The argument under a non-enumerated head also fails.

47. Therefore this Panel concludes that the Registrant did not acquire the domain name in bad faith as defined either under paragraph 3.5(d) or in some non-enumerated head in the spirit of the Policy.

J. Does the Registrant Have a "Legitimate Interest" in the Domain Name?

48. The third element of the test set out in paragraph 4.1 of the Policy is to determine whether or not the Registrant has a legitimate interest in the domain name. This inquiry tries to find some more or less objective or ascertainable link between the Registrant and

the domain name in question, aside from mere registration, and which is legitimate. Paragraph 3.4 of the Policy, as revised, now states:

For the purposes of paragraphs 3.1(b) and 4.1(c), any of the following circumstances, in particular but without limitation, if found by the Panel to be proved based on its evaluation of all evidence presented, shall demonstrate that the Registrant has a legitimate interest in a domain name:

- (a) the domain name was a Mark, the Registrant used the Mark in good faith and the Registrant had Rights in the Mark;
- (b) the Registrant registered the domain name in Canada in good faith in association with any wares, services or business and the domain name was clearly descriptive in Canada in the English or French language of: (i) the character or quality of the wares, services or business; (ii) the conditions of, or the persons employed in, production of the wares, performance of the services or operation of the business; or (iii) the place of origin of the wares, services or business;
- (c) the Registrant registered the domain name in Canada in good faith in association with any wares, services or business and the domain name was understood in Canada to be the generic name thereof in any language;
- (d) the Registrant used the domain name in Canada in good faith in association with a non-commercial activity including, without limitation, criticism, review or news reporting;
- (e) the domain name comprised the legal name of the Registrant or was a name, surname or other reference by which the Registrant was commonly identified; or
- (f) the domain name was the geographical name of the location of the Registrant's non-commercial activity or place of business.

In paragraph 3.4(d) "use" by the Registrants includes, but is not limited to, use to identify a web site.

49. In terms of the procedure required under the Policy, the Complainant must provide some evidence that none of these or similar interests can reasonably apply to the Registrant. The burden then shifts to the Registrant to show that it has, on the balance of probabilities, any one of these legitimate interests as defined under these subparagraphs, as well as, in the amended version, other legitimate interests not so listed.

50. The Complainant fails to convince at the first stage of this criterion. That is to say, the Complainant must show in a *prima facie* manner, and adducing some evidence, that the

enumerated criteria in Paragraph 3.4 do not appear to apply to the Registrant. In particular, the Complainant, having rightly identified the Registrant's registered legal name "Design 1st" and operating name of "Design 1st Product Design Development", fails to convince in its argument that these legal and operating names are somehow insufficient as objective links to the legitimate use of the domain name. These are the primary names of the Registrant, are identical in sound to the domain name, and are very close to the written form of the domain name, all of which is admitted. As such the Registrant fits clearly within the criterion of Paragraph 3.4 (e) of the Policy, and the Complainant fails at the first stage to adduce sufficient evidence that this is not a valid link.

51. It is irrelevant that the Complainant's trademark is closer than the Registrant's business names to the domain name in dispute; all that matters here is that the Complainant cannot show that the Registrant does not have its own legitimate, objective link to the name under this head. The Complainant has identified the objective link, but without providing any evidence to undermine its legitimacy.

52. The Registrant's argument on this point further reinforces this conclusion. It is clear that the Registrant used this domain name and website, linked in a legitimate manner to its business names, for a decade before the commencement of this action.

53. The Panel therefore concludes that the Registrant did have a legitimate interest in the domain name DESIGNFIRST.CA under paragraph 3.4 of the Policy.

K. Reverse Domain Name Hijacking

54. The Registrant has asked this Panel to make a finding of Reverse Domain Name Hijacking under paragraph 4.6 of the Policy:

If the Registrant is successful, and the Registrant proves, on the balance of probabilities, that the Complaint was commenced by the Complainant for the purpose of attempting, unfairly and without colour of right, to cancel, or obtain a transfer of any Registration which is the subject of the Proceeding, then the Panel may 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. The Complainant will be ineligible to file another Complaint in respect or any Registration for any Provider until the amount owing is paid in full to the Provider.

55. The Registrant argues that the Complainant effectively is acting "unfairly" and without "colour of right" in its action against the Registrant. In particular, it points out that the Complainant has registered and used the domain name DESIGN-1st.CA. Such a registration, which the Complainant would have had to have done by asserting its own good faith and legitimate interests in that domain name at the moment of registration as per the CIRA registration process, would run directly contrary to the core arguments

made by the Complainant and would undermine the very arguments that the Complainant has raised as to the distinction between “design first” and “design 1st”. The Registrant asserts that the Complainant has attempted to mislead the Panel.

56. The Complainant effectively has admitted in its Reply on the question of Reverse Domain Name Hijacking that the DESIGN-1st.CA registration is without colour of right and was intended to trench on the rights of the Registrant. The Complainant has responded by saying that it would not be justified in registering DESIGN-1ST.CA unless it loses this action regarding DESIGNFIRST.CA, in which case it is doing nothing wrong. This position is consistent with an honest belief that its use of domain DESIGN-1st.CA would cause confusion.

57. The Registrant has raised a truly troubling point in terms of the Policy and its attempt to channel parties to act in good faith. While “without colour of right” is not defined under the Policy, it certainly has direct ties to acting in good faith. In the first Canadian case in which Reverse Domain Name Hijacking was found to have occurred, the Panel was of the view that “to establish reverse domain name hijacking, a Respondent must show, or the Panel on its own initiative may conclude, that a Complainant acted in bad faith in commencing the proceedings.” [*Globe Media International Corporation v Bonfire Development, Inc.* CIRA -00124, “*forsale.ca*”]

58. A previous CDRP Panel broke down the notion of good faith in practice into two component parts. A previous panel in an earlier decision had stated that “the two essential dimensions of colour of rights appear to an honest, though mistaken, belief in one’s right, and some reasonable factual basis upon which that belief was based.” [*Air Products Canada Ltd. v. Index Quebec Inc.* (2003) CIRA-00007 “*airproducts.ca*”]. Recast, one could say that in CDRP cases a proper test of colour of right would be whether the Complainant had an honest belief that the facts it advanced were true and could entitle it to the relief it is seeking.

59. In all past cases decided under the Policy, save *forsale.ca*, the existence of a confusing trademark was deemed to have been sufficient to defeat a claim of reverse domain name hijacking. The *forsale.ca* decision held that while the existence of a trademark registration would be a relevant consideration in deciding whether a complaint was filed in good faith, the Panel must also consider other factors, including the conduct of the complainant and the nature of the domain name.

60. In this case, the whole of the Complainant’s argument turns on what is effectively an unsupported allegation of confusion. Both the bad faith and legitimate interest arguments are based on this allegation, which is advanced without any actual proof of actual or likely confusion.

61. On an objective view of the facts, it is difficult to see how the Complainant could have acted with an honest, yet mistaken belief. There was longstanding concurrent use of “design first”, in separate fields of activity. Under these circumstances, it is impossible that the Complainant could have formed an honest belief that there was confusion. There

is no state of facts suggesting actual confusion, no misdirected correspondence, odd customer inquires, etc.

62. Moreover, the Complainant had abided with the Registrant's use the domain name for a legitimate, non-competitive commercial activity for a period of ten years before taking action. And this business activity was done with a domain name closely linked to the Registrant's business name: clear evidence of a legitimate link.

63. In addition, this action was only undertaken shortly after two trademarks were registered and perfected by the Complainant. It is important to note that the registered marks were associated with activities that were in the Complainant's sphere and did not trench upon the Registrant's activities, a clear sign that the Complainant understood the legitimacy of the Registrant's business and the good will that it itself had developed. Thus its decision to proceed with this Complaint is most plausibly explained as an attempt to take the domain name by illegitimate means, even when there seemed to be no good reason to end the co-existence of marks and domains belonging the two very different firms with a similar name.

64. Finally, as the Registrant points out, the registration of the domain name DESIGN-1st.CA further undermines any argument for "colour of right". Here the Complainant's motive in registering a form of the Registrant's name as its own domain name, DESIGN-1st.CA, is problematic. The Complainant explains this as follows, at paragraphs 9 and 10 of its Reply:

9. Nonetheless, the Registrant has taken the position (in this proceeding and previously) that there is effectively no distinction between "first" and "1st" for purposes of the DDN, has refused to relinquish the DDN, and continues to trade off the Complainant's trade-mark. This being so, the Complainant has had no choice but to protect itself against the Registrant's conduct. If the Complainant is correct, and this panel concludes that the Registrant has no legitimate interest in the DDN, then the Complainant fully intends to and will abandon the design-1st.ca mark – it has no interest in. Conversely, if the Complaint is dismissed (which it is submitted it should not be) and the registration upheld, then the Complainant will necessarily have to abide by such decision and will have wisely protected its interests through the registration. These are not unfair or bad faith actions as the Registrant tries to insinuate, but genuine and commercially reasonable efforts by the Complainant to protect itself from the Registrant's conduct.

10. It is submitted that it does not lie in the mouth of the Registrant to pointing to the Complainant's efforts to protect itself from the Registrant's own unfair conduct as somehow being itself a sign of unfairness.

The Complainant itself says it has no interest in the DESIGN-1st.CA domain name except

as leverage to get the domain name it wants transferred to it. It acknowledges that in its opinion it has no right to register DESIGN-1st.CA.

65. Thus, the Complainant admits that its own registration of DESIGN-1st.CA was *knowingly in bad faith* as it did knowingly trench on the rights of the Respondent.

66. Even if the Complainant did try to maintain that its DESIGN-1st.CA was in good faith it would fare no better as the arguments, interpretations and distinctions upon which such a claim would necessarily have to be based would be similar to those currently being advanced by the Registrant in the case of DESIGNFIRST.CA, and which the Complainant is rejecting. Put succinctly, the Complainant has warranted in two different situations – a domain name dispute proceeding on DESIGNFIRST.CA and a registration of DESIGN-1st.CA – that it is acting in good faith. Each procedure requires one to proceed in good faith. Yet as across both processes the exact opposite substantive arguments and interpretations of the Policy are being put forward. As such, both warrants of good faith cannot be right.

67. At a minimum, these admitted facts show that the Complainant appears to have a strategy of owning the various domain names around the words “design first”, to the detriment of the rights and goodwill accumulated by the Registrant.

68. A Complainant simply cannot simultaneously say that it is commercially reasonable to register its opponent's trade mark in case it is entitled to do so, and allege that it is not entitled to do so. Even if we were to accept the argument that the Complainant might be entitled to register the name DESIGN-1st.CA, such a registration is not a protection from the Registrant in any legitimate way. Registering the domain DESIGN-1st.CA cannot be seen as a "genuine and commercially reasonable efforts by the Complainant to protect itself from the Registrant's conduct." (Complainant's Reply, paragraph 9).

69. The Panel thus concludes that this Complaint is part of a strategy to force the Registrant into relinquishing the domain name it had legitimately obtained in good faith, conducted without a state of facts which could give rise to an honest belief of entitlement to succeed under the CDRP, and fueled by at the very least incoherent and misleading beliefs. Under these circumstances, the Panel feels that such practice is an abuse of the Canadian domain name dispute process. Moreover, in fairness, the Registrant should not be forced to bear a significant expense for such a proceeding. Paragraph 4.6 of the Policy was meant to discourage and correct this practice. It allows us to compensate to a maximum amount, and the Panel should show responsibility to the integrity of the process and exercise that discretion here.

70. The Panel thus finds that the Complaint was commenced by the Complainant for the purpose of attempting, unfairly and without colour of right, to cancel, or obtain a transfer of any Registration which is the subject of the Proceeding.

71. The Registrant has incurred legal fees of \$8,216.00 in response to this Complaint (excluding HST). The Complainant did not challenge the appropriateness of the legal fees

claimed. The maximum award of costs permitted under paragraph 4.6 of the Policy is \$5,000.

L. Conclusion and Decision

72. The Complainant has established, and the Registrant has conceded, that the Registrant's domain name is confusingly similar to the Complainant's common law mark.

73. The Complainant has not established that the Registrant had registered the domain name DESIGNFIRST.CA in bad faith, as defined in or implied by the Policy.

74. The Complainant has failed to provide sufficient evidence that the Registrant had no legitimate interest, as defined in the Policy, in the domain name DESIGNFIRST.CA.

75. For these reasons, the Complaint regarding the domain name DESIGNFIRST.CA fails.

76. The Panel also finds that the Complainant has, "unfairly" and "without colour of right", initiated this Complaint to obtain the domain name from the Registrant.

L. Remedy

77. The Complainant has asked that the domain name at issue be transferred to it. The Panel hereby declines to do so.

78. The Registrant has asked for an order obtaining the maximum sum for defraying costs. The Panel orders that, as per paragraph 4.6 of the Policy, the Complainant pay the sum of \$5000 to the Registrant.



David Allsebrook



David Lametti
Chair



Eric Macramalla

July 31, 2013