

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

Domain Name: ASOS.CA

Complainant: Asos Canada Services Limited
Registrant: Nexon Media Inc.
Registrar: Dot-ca-registry.ca (Burmac Business Systems Limited)

Panel: Jay Josefo
David Lametti (Chair)
Eric Macramalla

Service Provider: Resolution Canada

DECISION

A. The Parties

1. The Complainant, Asos Canada Services Limited, is a limited liability company incorporated in British Columbia. Its corporate address is 1500 Royal Centre, 1055 West Georgia Street, PO Box 11117, Vancouver, British Columbia. The Complainant's authorized representative is Sharon Groom, McMillan LLP, Barristers and Solicitors, Brookfield Place, Suite 4400, 181 Bay Street, Toronto, Ontario, M5J 2T3.
2. The Registrant is listed as Nexon Media Inc. Its administrative and technical contacts are Daniel Mullen, PO Box 1900, Charlottetown PEI C1A 7N5. Mr Mullen's contact email addresses are domain.services@netnic.ca and daniel.mullen@eidos.ca.

B. The Domain Name and Registrar

3. The domain name at issue is ASOS.CA.
4. The domain name is registered with Dot-ca-registry.ca (Burmac Business Systems Limited).

C. Procedural History

5. On 22 October 2012, the Complainant submitted this Complaint to the Domain Name Dispute Resolution Provider, Resolution Canada. 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. A Response was received from the Registrant.

7. The Provider therefore moved to compose the Panel, as governed by the Rules.

D. Panel Member Impartiality and Independence Statement

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

E. Canadian Presence Requirements

9. The Complainant is incorporated under the laws of British Columbia. For the purposes of launching this Complaint under the *CIRA Domain Name Dispute Resolution Policy* (version 1.3) [“Policy”], the Complainant has satisfied the Canadian Presence Requirements as stated in paragraph 1.4 of the *Policy* as it had been so incorporated when the Complaint was initiated.

F. Factual Background

10. The Registrant registered the domain name in question on 28 January 2009.

11. The Registrant claims that the domain name was registered on behalf of ASOS Canada Inc, incorporated under the federal *Canada Business Corporations Act*, and with head offices in Prince Edward Island. Further, it purports to have representation in Manitoba, Ontario and China. It is noted that proof of the existence of this company provided by the Registrant is dated only as 14 March 2012.

12. The Complainant asserts that Mr Mullen is the Sole Director for the Registrant Nexon Media, and later that Mr Mullen had registered domain names for NETNIC, which domain names were the subject of another CIRA dispute resolution. The Registrant claims that the domain name at issue in this matter was registered by NETNIC for Daniel Mullen, then a consultant for NETNIC. According to the Registrant, Mr Mullen, listed as the Registrant’s administrative contact, stood as a contact for registered domain names on behalf of NETNIC in exchange for other services. The Registrant claims that Mr Mullen is neither an officer, nor director, nor shareholder of NETNIC. The Panel notes that no substantive proof has been offered of this claimed arrangement, or these assertions by Mr. Mullen, and that the Registrant remains listed as Nexon Media.

13. The Complainant’s predecessor in title, Asos PLC, became aware of this registration in June 2010. As of 15 August 2010, the domain name did not appear to resolve to an active website.

14. The Complainant recounts that Asos PLC hired a third party, MarkMonitor, to purchase the domain name from the Registrant in June 2010. Negotiations took place with Mr Mullen, the Registrant's administrative contact, who had initially purportedly indicated that he would accept \$3,345 for the domain name. When this sum was accepted by MarkMonitor, Mr Mullen purportedly increased the demand to \$4,450.

15. Negotiations ceased. They subsequently resumed in June 2011. The intermediary at this point offered \$4,000; Mr Mullen rejected this offer and the intermediary increased its offer to \$8,750. This offer too was rejected by Mr Mullen, who indicated that the domain was worth a fair value in the range of \$145,000 to \$195,000 Canadian. Asos PLC ceased negotiations at that point.

16. As pertaining to the conduct of negotiations, the Registrant disputes this version of events. It claims all offers were unsolicited and that Mr Mullen at no time accepted any offers. The Registrant also disputes the nature and context of the discussions surrounding the initial offers and the later, higher "fair value" figures, and points out that Asos PLC was using multiple parties to conduct negotiations.

17. The Complainant was incorporated in Canada under the laws of British Columbia on 14 March 2012.

18. The Complainant acquired all right, title and interest in the ASOS mark from Asos PLC by way of assignment on 31 July 2012. It has licensed back to Asos PLC the rights to use the Mark in Canada

19. As of 12 September 2012, the domain name still did not appear to resolve to an active website; but rather just a parking site. Links on that site resolved back to the site itself.

20. The Complainant filed this Complaint on 22 October 2012.

G. CIRA Domain Name Dispute Resolution Policy Requirements

21. All .ca domain name dispute resolutions shall be bound by CIRA policies, and in particular by the *CIRA Domain Name Dispute Resolution Policy* (version 1.3) ["Policy"].

22. The Policy sets out at paragraph 4.1 what the Complainant must establish in order to successfully prove the Complaint:

Onus. 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; ...

23. As a material pre-condition to registration, any potential registrant must also comply with Canadian Presence Requirement as set out in that policy: Canadian Presence Requirements for Registrants (Version 1.3) (“CPR”). The relevant provisions in paragraph 2 state:

Canadian Presence Requirements. On and after November 8, 2000 only the following individuals and entities will be permitted to apply to CIRA (through a CIRA certified registrar) for the registration of, and to hold and maintain the registration of, a .ca domain name:

...

(d) Corporation. A corporation under the laws of Canada or any province or territory of Canada;

...

(q) Trade-mark registered in Canada. A Person which does not meet any of the foregoing conditions, but which is the owner of a trade-mark *which is the subject of a registration* under the Trade-marks Act (Canada) R.S.C. 1985, c.T-13 as amended from time to time, but in this case such permission is limited to an application to register a .ca domain name consisting of or including the exact word component of that registered trade-mark; ...

24. Thus, in addition to having trademark rights in Canada, the Complainant must also have had rights *to have registered the domain name*, as a .ca domain under the Canadian Presence Requirements, *prior to* the registration by the Registrant. This eligibility requirement has been interpreted as being a material pre-condition to moving on to the subsequent three stages of the Policy test: *Ebates Canada, Inc. v. Cranhill and Company*.

25. The Panel will deal with these first two aspects of the onus on the Complainant. The resolution of the CPR in our view determines this dispute.

H. Does the Complainant have rights in a Mark prior to Registration of the Domain Name?

26. The Complainant must have rights in a trademark, registered in Canada or unregistered and used in Canada, *prior to the registration of the domain name*, as required by the Policy.

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 by a person, or the person’s predecessor in title, for the purpose of distinguishing the wares, services or business of that person or predecessor the wares, services or business of another person; ...

28. The Complainant must first establish trademark rights that precede the domain name registration date. ASOS was an unregistered, common law trademark. It is trite law to assert, notwithstanding the pretensions of the Registrant, that unregistered or common law marks are protected under the Policy. Provided they are used in Canada as a trademark, unregistered marks are protected both under Canadian trademark law and the Policy. The Complainant is correct in this regard.

29. The Complainant must show that the mark ASOS was used in Canada as a common law mark before the registration date. This it has done.

30. First, ASOS is a known mark with much accumulated goodwill attached to it. Asos PLC was established in June 2000 in the UK. It is now a large independent online fashion and beauty retailer, one of the largest in the European Union. It is exclusively online, and has customers around the world.

31. Asos PLC has a high volume of sales online: over 50,000 branded and own label products per week. Gross sales figures for the year ending 31 March 2010 were 223 million pounds sterling. Its asos.com website attracts over 13 million visitors a month, has 5.3 million registered users and 1.6 million active customers. The sample web pages demonstrate quite clearly that Asos PLC services are available in Canada, and the ASOS mark is prominently displayed.

32. Second, the Complainant has shown that the ASOS mark had begun to be used as a mark associated with online retail services, and as embedded in a domain name and on its website from the year 2000 internationally. More precisely, it has shown that these services have been available in Canada as of 2005.

33. Third, the Complainant has shown that Canadians have purchased goods from the Asos.com site from April 2005 to December 2010. The site is still used in Canada.

34. Fourth, it has been confirmed that use of a mark in association with retail store services offered only online does constitute the use of the mark in Canada in association with services, in accordance with s. 4(2) of the *Trade-marks Act: TSA Stores, Inc. v. the Register of Trade-marks* 2011 FC 273 (FC).

35. Finally, this finding is also consistent with Canadian trademarks law in which the use of unregistered marks elsewhere effectively spills over into Canada, and thus receive some measure of protection in Canada without even necessarily having to be used in Canada: *Orkin Exterminating Co. Inc. v. Pestco Co.* 1985 CanLII 157 (ON CA).

36. As a result, it is the current state of Canadian trademark law that a common law mark used on a website in Canada for online retail store services falls under the definition of trademarks in the Policy. Such a common law mark thus could be protected under the Policy for the purposes of paragraph 4.1 and the determination of Rights that a Complainant may have for the purposes of determining confusing similarity.

37. Asos PLC therefore had *trademark* rights in the mark in Canada prior to the registration of the domain name on 28 January 2009. These trademark rights were validly assigned to the Complainant, who might vindicate them under the *Trade-marks Act*. In each case “predecessors in title” are explicitly included for the establishing of use of the mark, and by implication valid successors in title are also protected. The asos.com site continues to be used, and thus the Complainant’s trademark rights subsist.

I. Complainant’s Canadian Presence Requirements for the Purposes of Registration of a Domain Name

38. Having established that the Complainant is the valid successor in title as far as the trademark is concerned, the Complainant must additionally establish that it could have registered the domain name in Canada prior to the registration by the Registrant, under the terms of the CPR. This requirement is conceptually distinct from whether there is trademark right that can serve as basis for paragraph 4.1 and confusing similarity. The CPR thus poses a significant challenge for the Complainant.

39. While the Complainant’s predecessor in title had a common law or unregistered trademark right in Canada, it did not have a right to register the domain name in Canada as per the CPR. Asos PLC (1) was itself not incorporated in Canada (CPR, paragraph 2(d)), and (2) and it did not have a *registered* Canadian trademark in the name (CPR, paragraph 2(q)). It was thus ineligible to register the asos.ca domain under paragraph 2 of the CPR.

40. The dates and categories of the CPR were deliberately chosen: the CPR is explicitly meant to restrict the .ca domain name regime to parties with a specified Canadian connection. Asos PLC did not have an adequate link to Canada as defined in the CPR. As such, Asos PLC could not later transfer to the Complainant a right that it did not have for itself at the appropriate moment in time.

41. Nor is it correct that the subsequent incorporation in Canada of the Complainant somehow created a retroactive right to claim a right in the .ca domain name. The Complainant was only incorporated in British Columbia well *after* the registration of the domain name by the Registrant. At this point, it was simply too late. Indeed, the Complainant’s incorporation in Canada and subsequent transfers of the rights to the common law trademark (assignment to Complainant and license back to Asos PLC) might be interpreted as an attempt to get around a material pre-condition of the CPR.

42. This case is analogous in material facts to the *eBates* decision noted above. In that case, the Complainant corporation did not exist at the date at which it would have had to existed in order to have had prior rights to register a domain in Canada. In that case, the Panel found that the foreign parent company that did have prior rights was not the Complainant, but the parent company did not register the domain name in Canada in all likelihood because it did not meet the CPR. Moreover, a license from the parent to the Complainant could not retroactively create the necessary existence on the part of the


Complainant. That Panel held that the Canadian connection is a material fact any complainant needs to prove under the CPR, i.e., that it existed at the date of the registration of the domain name.

43. As result, in this case, the Complainant had no right to register the domain name in Canada prior to the registration of the domain name by the Registrant. It thus fails in this material condition according to the Canadian Presence Requirements and cannot proceed under the Policy.

44. This is the case notwithstanding any common law rights the Complainant may still have in the mark in Canada. Nothing in this decision affects any rights that the Complainant may be able to vindicate under the law of trademarks in an appropriate forum.

J. Conclusion and Decision

45. For these reasons, the Complaint regarding the domain name ASOS.CA is unsuccessful, and is request for transfer is denied.



David Lametti
Chair

For Jay Josefo, Eric Macramalla and David Lametti

February 1, 2013