

Bereskin & Parr LLP

Reacting to change

Important changes to 'ca' dispute resolution policy make it more accessible to trademark owners

Disputes involving '.ca' domain names can be resolved under the Canadian Internet Registration Authority's (CIRA) Domain Name Dispute Resolution Policy (CDRP). Significant changes to the CDRP came into effect on August 22 2011, bringing it further into line with the Uniform Domain Name Dispute Resolution Policy (UDRP). While the CDRP is similar to the UDRP, there remain important differences. The previous CDRP had a reputation for being technical, narrow and expensive, and for often not providing recourse against clear cases of cybersquatting. Many of the changes make the CDRP more accessible to trademark owners, and a handful of noteworthy decisions favourable to the complainant have been rendered since the changes came into effect.

Broader scope of rights protected, but limitations remain

Under the previous CDRP, a narrow and technical set of trademark rights qualified for protection. 'Rights', 'mark' and 'use' of a trademark had strict, interrelated definitions, which generally excluded marks that had not been registered or used (in a strict trademark sense) in Canada prior to registration of the disputed domain name. The definitions of 'rights' and 'use' of a mark have been removed, making it easier for many trademark owners to establish rights under the CDRP. Panels have already shown flexibility in finding rights to a mark under the CDRP. In *TWENGA, Societe Anonyme v X* (CIRA Decision 00177, January 23 2012, disputed domain name 'twenga.ca'), the panel found that once a mark is registered in Canada, the trademark owner has rights in the mark dating back to the application date, or any earlier date accepted by the Canadian Intellectual Property Office. The panel specifically noted that marks

registered in Canada based on registration abroad would be entitled to protection from the claimed date of registration abroad. In *Citrix Online LLC v Mediavision Network Inc* (CIRA Decision 00175, October 28 2011, disputed domain name 'gotomeeting.ca'), a trademark owner demonstrated rights by showing that prior to registration of the disputed domain name, the mark identical to the disputed domain name was made known in Canada and the complainant had established itself in Canada through the use of two related marks that were part of a family of marks. In *The Exite Group Inc v Zucker International Marketing Inc* (CIRA Decision 00176, December 7 2011, disputed domain name 'bellapierre.ca'), a trademark owner that failed to show rights under the previous version of the CDRP successfully re-filed under the revised CDRP.

Nevertheless, the CDRP requires that the complainant have rights to a mark prior to registration of the disputed domain name. It may thus prove difficult for a complainant to succeed if a domain name was registered after a new product, service or business was announced, but before its actual launch in Canada. Consequently, the CDRP is likely to continue to fail to address many cases of speculative bad-faith registration of domain names, even if the cybersquatting is clearly egregious. Also, to show rights to a mark, the CDRP requires that the mark be either used or registered in Canada. Owners of foreign marks will generally be unable to take advantage of the CDRP, even if a Canadian trademark application has been filed for the mark. Given the wording of the CDRP, it is unlikely that a complainant will be able to prove rights to a mark based on making a mark known in Canada if there is no related trademark use or registration in Canada. Finally, a complainant must still meet CIRA's Canadian presence requirements to file a

CDRP complaint. This means that the CDRP is generally unavailable to any foreign entity that does not own a registered Canadian trademark that relates to the complaint. However, if there is a Canadian licensee of the mark, it may be that the licensee will be eligible to bring the complaint.

Proving bad-faith registration

The previous CDRP set out three purportedly exhaustive factors to prove bad-faith registration. This made it challenging for a complainant to succeed where the bad-faith activity did not appear to fall within the exhaustive factors. Thus, many panels adopted flexible interpretations of the facts to fit awkwardly into the bad-faith factors in clear cases of cybersquatting. The revised CDRP sets out a fourth bad-faith factor and makes the factors non-exhaustive. These changes bring the CDRP into line with the UDRP and make the CDRP more accessible to trademark owners.

The CDRP now states that bad faith can be shown if a domain name is used intentionally to attract internet users for commercial gain by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, endorsement of the registrant's website or location of a product or service. Panels have interpreted this ground broadly. Bad-faith registration was found with reference to this ground in circumstances where the registrant admitted that it intended to establish a website, but had not actually done so (*Glen Raven Inc v Tomislav Kotarac* (CIRA Decision 00173, November 15 2011, disputed domain name: 'sunbrella.ca')). Further, a reseller of authentic goods that had a notice on its site which falsely implied that the registrant was the complainant or the complainant's Canadian licensee was found to have registered the disputed

domain name in bad faith (*The Exite Group Inc v Zucker International Marketing Inc* (CIRA Decision 00176, December 7 2011, disputed domain name 'bellapierre.ca')).

In terms of other facts that may form a basis for finding a bad-faith registration, it is expected from the decisions to date that panels will be likely to infer the general nature of bad faith impugned by the policy from the listed bad-faith factors. Panels are now also more likely to take cues from bad-faith findings under the UDRP. To date, panels have found that bad-faith registration is likely if a registrant breaches an agreement that binds a registrant not to register a domain name using the complainant's marks. The same panel found that bad faith may be shown if there is a pre-existing relationship between a trademark owner and a registrant resulting in the registrant having knowledge of the complainant's mark prior to registering the domain name, and if the registrant directs the domain name to a blank page or otherwise uses the domain name in a manner that diverts internet users from the complainant's site. Another panel noted that not replying to a demand letter is a relevant factor in assessing bad faith (CIRA Decision 00175).

Interestingly, the new bad-faith factor of intentionally attracting traffic to a website through a likelihood of trademark confusion does not require a consideration of the behaviour of the registrant at the time that the registrant registered the domain name – which is otherwise the timeframe to be considered in assessing bad faith – and behaviour subsequent to the domain name registration will serve as evidence of bad-faith registration on that ground. Panels may take this as a signal to accept more readily uses of a domain name as a clear indication of the registrant's intention at the time that the domain name was registered or acquired.

Finally, panels are unlikely to infer a registrant's bad-faith registration from the fact that a registrant's identity is not discoverable in a WHOIS search. CIRA's policies protect privacy and, by default, shield the identity of individual (but not corporate or organisational) registrants in WHOIS searches. CIRA has a procedure for disclosing a registrant's identity in certain circumstances in anticipation of a CDRP complaint. CIRA also has a procedure for requesting a list of a registrant's other '.ca' domain names to help trademark owners determine whether a registrant has a pattern of cybersquatting. Both of these procedures can be helpful in preparing CDRP complaints.



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Proving legitimate interest

To succeed at a CDRP complaint, the complainant must provide some evidence that the registrant has no legitimate interest in the disputed domain name. The burden then shifts to the registrant to prove that it has a legitimate interest. The CDRP previously specified only six legitimate interests. Registrants may now show a broader range of legitimate interests in a domain name. It remains to be seen what other types of interest will be accepted as legitimate. It seems likely that panels will require a registrant to demonstrate genuine good faith to prove its legitimate interest in a disputed domain name. For example, in view of the recent CIRA Decision 00176, it is questionable whether an unauthorised reseller could show a legitimate interest in a domain name that is confusingly similar to the complainant's mark and is used to attract internet traffic through confusion.

Registrants can now also show a legitimate interest if they can demonstrate that they registered a domain name in good faith for its generic or descriptive quality, regardless of whether the domain name has been used with an active site. CIRA is of the view that requiring the use of generic domain names to establish a legitimate interest puts an unfair onus on registrants. There is some concern that this change will enable a cybersquatter to passively hold a domain name that has both trademark and generic or descriptive significance and be able to successfully claim a legitimate interest.

These changes to the CDRP are significant, and it is thought that they are likely to result in the CDRP becoming more appealing for trademark owners to resolve complaints involving '.ca' domain names. resolution. [WTR](#)