

CANADIAN INTERNET REGISTRATION AUTHORITY

DOMAIN NAME DISPUTE RESOLUTION POLICY

DECISION

April 29, 2005

Dispute Number: DCA-827

Domain Name: <drn.ca> (hereinafter the “disputed Domain Name”)

Complainant: DRN Commerce Inc.

Registrant: REPO DEPO (TM), Park and Sell of Canada Limited

Panellists: James E. Redmond, Q.C., R. John Rogers, Jacques A. Léger, Q.C.

Registrar: Internic.ca Corp.

1. The Parties

Complainant:

DRN Commerce Inc.
10th Floor, 148 Fullarton Street
London, ON
N6A 5P3

Registrant:

REPO DEMO (TM), Park and Sell of Canada Limited
76 Fordhouse Blvd.
Etobicoke, ON
M8Z 5X7

2. The Domain Name and Registrar

3. Procedural History

Complainant submitted a Complaint to the British Columbia International Commercial Arbitration Centre (the “Centre”) electronically on (DATE); the Centre received a hard copy of the Complaint on (DATE). On (DATE), Registrant submitted its Response to the Complaint to the Centre. On April 12, 2005, the Centre received a Response to the Registrant’s claim for costs by Complainant.

4. Factual Background

The Complaint is based upon the trade name "DRN", which has been employed by Complainant DRN Commerce Inc. in the course of its business for several years. Complainant owns no trademark registration for such mark. Registrant REPO DEMO (TM), Park and Sell of Canada Limited has registered the disputed Domain Name on December 12, 2002, and operates a website entitled "Disaster Recovery Network" from it. In addition, Complainant and Registrant are competitors, as they both operate in the same service area, namely collection processing and debt recovery.

5. Canadian Presence Requirement

The Complaint meets the Canadian Presence Requirement, as it is a corporation incorporated under the laws of the *Ontario Business Corporations Act*, on the 30th day of June, 1998. Copies of the Articles of Incorporation, Articles of Amendment and business name registration are included in Schedules 1 through 5.

6. Parties' Contentions

A. Complainant

(i) Rights of Complainant in the Mark

Complainant claims it uses the mark "DRN", which stands for "Debt Recovery Network", as both a trade-mark and a trade name to distinguish its products and services from those of other businesses. It claims it has used the mark in association with its wares, services and business since at least August 4, 1999, and submits as supporting evidence to this effect the company agreements filed as Schedules 12 and 13 of the Complaint. Complainant adds it has also used the mark "DRN" in its press releases (Schedules 14 and 15 of the Complaint), in letters of correspondence (Schedule 18) and on its letterheads and business cards (Schedule 19), allegedly prompting its customers and other third parties to become aware of the mark and use it in reference to Complainant's wares, services and businesses prior to December 12, 2002, the date of registration of the disputed Domain Name.

(ii) Confusing Similarity

Complainant submits that the disputed Domain Name is confusingly similar to Complainant's mark "DRN" because it is identical to it. Complainant adds that the disputed Domain Name is also similar to the mark "DRN Commerce", as it is the same as the beginning portion of the mark on which the complaint is based. Complainant also asserts that because the disputed Domain Name is identical to the mark "DRN", a person having any recollection of this mark belonging to Complainant would likely mistake Registrant's domain name for that of Complainant based on the identical appearance. Moreover, Complainant claims that Complainant and Registrant and Registrant's related entities, Asset Inc., are competitors and offer very similar products and services to their clients, which increases the chance of an Internet user being confused.

(iii) Legitimate Interests

Complainant argues Registrant has no legitimate interest in the disputed Domain Name because Registrant never:

- (a) used the domain name as a Mark in good faith and the Registrant has no rights in the Mark;
- (b) used the domain name in Canada in good faith in association with any wares services, or business and the domain name was not clearly descriptive of the character, condition or place of origin for the Registrant's wares, services or businesses;
- (c) used the domain name in Canada in good faith in association with any wares, services or businesses and the domain name was not understood in Canada to be a generic name thereof in any language;
- (d) used the domain name in Canada in good faith in association with a non-commercial activity;

In addition, Complainant adds that:

- (e) the domain name did not comprise the legal name of the Registrant or was not the name, surname or other reference by which the Registrant was commonly identified; and
- (f) the domain name was not the geographical name of the location of the Registrant's non-commercial activity or place of business.

(iv) Bad Faith

Complainant contends that Registrant used and uses the disputed Domain Name only to redirect Internet users to its website, www.assnet.net, where it offers products similar to that of Complainant. Complainant also submits that Registrant registered the disputed Domain Name primarily for the purpose of disrupting the business of Complainant, who is a competitor of Registrant. Moreover, Complainant filed a statement of claim and affidavit by Registrant in an action against Complainant to show that Registrant considers Complainant to be a competitor, and that Registrant referred to Complainant as "DRN". Complainant adds that Registrant never used the mark "DRN" in association with its own wares and services, using it instead to redirect Internet users to www.assnet.net, to confuse the customers of Complainant.

B. Registrant

(i) Rights of Complainant in the Mark

Registrant argues that Complainant did not have any rights in the trade-mark "DRN" prior to the December 12, 2002 Domain Name registration date. It adds that Complainant did not change its name to "DRN Commerce Inc." until March 6, 2003. Moreover, Registrant claims that Complainant had not "used" the mark "DRN" prior to the December 12 2002 registration date according to the CIRA Policy. It claims that it could only "use" the trade mark "DRN" after the name change to "DRN Commerce Inc.", which occurred in March 2003. Respondent

adds that Complainant has not provided evidence for use in conjunction with wares, services or businesses as defined by the Policy.

(ii) Confusing Similarity

Registrant alleges that the disputed Domain Name is not confusingly similar to a mark in which Complainant has rights prior to the date of registration of the domain name. Moreover, Registrant claims that the evidence submitted by Complainant is insufficient concerning the potential confusion by Internet users of the disputed Domain Name with Complainant's mark.

(iii) Legitimate Interests

No representations were made by Registrant regarding this criterion.

(iv) Bad Faith

Registrant claims that the disputed Domain Name never redirected Internet traffic to www.assnet.net. Registrant also refutes Complainant's claim that the disputed Domain Name was registered primarily to disrupt the business of Complainant, as it is a password protected login for Registrant's "Disaster Recovery Network", intended for its existing customers. As such, Registrant claims there is no possibility that any new client coming upon the drn.ca website would confuse it with Complainant, or be able to utilize the services or products of Registrant.

(v) Bad Faith on the Part of Complainant

Registrant asserts that the Complaint was commenced by Complainant in bad faith for the purpose of attempting unfairly and without colour of right to obtain transfer of Registrant's domain name drn.ca. Registrant argues that Complainant has adduced no evidence to show it had prior legal right to the trade mark "DRN", or that it used the mark in association with its wares, services and business prior to the December 2002 registration date of the disputed Domain Name. Moreover, Registrant argues that Complainant has failed to establish that "DRN" constituted a "Mark" within the meaning of the Policy prior to the registration date of December 2002. As such, Registrant contends there is no colour of right on the part of Complainant in bringing the Complaint because:

(a) There is no honest though mistaken belief in the Complainant's entitlement to the domain name as the Complainant did not use "DRN" prior the domain name registration date; and

(b) There is no reasonable or factual basis on which the Complainant could conclude that it was entitled to a trade mark, which it did not use prior to the domain name registration date nor to date.

Therefore, Registrant is seeking \$2,305.85 to defer the costs incurred by Registrant in preparing for, and filing material in this proceeding.

7. Discussion and Findings

Pursuant to Section 3.1 of the CIRA Policy, in order to have relief under the Policy, a Complainant must cumulatively demonstrate 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 no legitimate interest in the domain name as described in paragraph 3.6; and
- (c) the Registrant has registered the domain name in bad faith as described in paragraph 3.7.

(a) Rights of Complainant in the Mark « DRN »

It is apparent from the Complaint that Complainant does not own a registered trade mark in the mark "DRN". It is trite law, in domain name disputes generally, that a Complainant needs not necessarily have a registered trademark or service mark in order to seek the remedies contemplated in the Policy, as they are also open to those who have acquired common law rights to such marks through use. More specifically in the case of CIRA, it is expressly provided in subsection 3.2 (a) of its Policy that a "Mark" is defined as: "a trade-mark, including the word elements of a design 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 or a licensor of that person or predecessor from the wares, services or business of another person". It is, however, incumbent upon Complainant to demonstrate that it has acquired such rights through use. In this case Complainant being only able to rely on common law rights, it is incumbent upon it to actually show acquisition of such rights through use. In turn, the definition of "Use" for the purpose of this proceeding is provided in Section 3.5 of the Policy, which reads as follows:

3.5 Use. A Mark is deemed to be in "use" or "used" in association with:

- (a) wares: (i) if, at the time of the transfer of the property in or possession of the wares in the normal course of trade, the Mark is marked on the wares themselves or on the packages in which they are distributed or the Mark is in any other manner so associated with the wares that notice of the association is then given to the person to whom the property or possession is transferred; or (ii) at the time the wares are exported from Canada, if the Mark was marked in Canada on the wares or on the packages in which they are contained and the wares or packages are still marked when exported;
- (b) services, if the Mark is used or displayed in the performance or advertising of those services;
- (c) a business, if the Mark is displayed in the operating, advertising or promoting of the business; or
- (d) a non-commercial activity, if the Mark is displayed in the carrying out, promoting or advertising of the non-commercial activity.

In pages 6 to 8 of the Complaint, as well as in Schedules 12-19, Complainant gives examples of the use it has made of the Mark “DRN” in connection with its wares, services and business.

With regard to the services offered by Complainant, the Mark appears to have been “used or displayed in the performance or advertising of those services”. For example, the member agreement Complainant signed on August 4th 1999 with the law firm Kronis, Rotsztain, Margles, Cappel & Gertler (Schedule 12 of the Complaint) clearly refers to Complainant as “DRN”. The Mark is used similarly in the services agreement filed as Schedule 13 of the Complaint, signed on September 1999. While this has been somewhat disputed by Registrant, on balance, the Panel finds that Complainant has met its burden with respect to showing that it has “used” the Mark “DRN” within the meaning of the Policy.

For example, the Panel does not agree with Registrant to the effect that Schedule 15 of the Complaint, a press release making reference to Complainant as “DRN” in August 2001, does not constitute “use” according to the Policy. Such use of the Mark to inform the public as to the services offered by Complainant shows can be assimilated to use for display in the advertising of the services pursuant to Subsection 3.5 (b) of the Policy, and such use was effectively made before the registration date of the disputed Domain Name on December 2002 by Registrant. And while the Panel agrees with Registrant that the letters from third parties referring to Complainant as “DRN” (attached to the Complaint as Schedule 16) do not constitute “use” according to the Policy, they at the very least are a strong indication that Complainant has made such use of the Mark “DRN” in connection with its services before the registration date of the disputed Domain Name.

(a) Confusing Similarity

The Panel also finds that the disputed Domain Name is confusingly similar to that mark, since in fact it is identical to the Mark. As was stated in *Government of Canada v. Bedford* (CIRA Dispute Resolution Decision No. 00011), the test to determine whether a domain name is confusingly similar to a mark according to Section 3.4 of the Policy, is whether “a person, on a first impression, knowing the Complainant’s corresponding mark only and having an imperfect recollection of it, would likely mistake the Domain Name (without the .ca suffix) for Complainant’s corresponding mark based upon the appearance, sound or the ideas suggested by the Mark”. The Panel has no difficulty making such a determination in this case, as the disputed Domain Name is merely constituted of the Mark “DRN” along with the suffix .ca, which is naturally an insufficient motive for Complainant to avoid a finding of confusing similarity. See, for example, *Pomelatto S.p.A. v. Tonetti*, WIPO Case D2000-0493 (WIPO July 7, 2000), where the panel found pomelatto.com to be **identical** to Complainant’s mark because the generic top-level domain “.com” after the name POMELATTO is not relevant. In its Response, Registrant does not substantively dispute this, placing its emphasis on the fact that no “actual use” of the Mark “DRN” was made “by the Complainant prior to the December 2002 domain name registration date” (See Response, page 13). However, the Panel has concluded to such use, and finds that “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”, pursuant to Sub-section 3.1 (a) of the Policy.

(b) Legitimate Interests

Registrant has not even attempted to demonstrate it has used the disputed Domain Name in any one of the ways provided in Section 3.6 of the Policy. In particular, concerning Sub-section 3.6(a) of the Policy, Registrant has not provided any evidence to demonstrate that it has rights in the Mark "DRN" pursuant to the Policy. In fact, Registrant did not even attempt to show it has Legitimate Interests in the disputed Domain Name, and the allegations made with respect to this by Complainant remain unchallenged. In the present circumstances, the Panel therefore draws a negative inference resulting from Respondent's failure to respond. See for example *Pivotal Corporation v. Discovery Street Trading Co. Ltd.* (Case No. D200-0648, WIPO Decision, August 14, 2000), wherein the Panel found that "*although there may not be a reversal of burden of proof as such, the failure by the Respondent to adequately address this, once alleged, is a factor which the Panel may take into consideration when judging the existence of a legitimate right or interest*".

For these reasons, the Panel concludes that Registrant has no legitimate interests in the disputed Domain Name pursuant to Section 3.6 of the Policy.

(c) Bad Faith

Section 3.7 of the Policy provides the situations under which a Registrant is considered to have registered a domain name in bad faith:

3.7 Registration in Bad Faith. For the purposes of paragraph 3.1(c), a Registrant will be considered to have registered a domain name in bad faith if, and only if:

- (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 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; or
- (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.

The Panel recognises that the bad faith provisions of the CIRA Policy are different than those found in the UDRP Policy. Indeed, the CIRA Policy provides an exhaustive list of situations in which a finding of bad faith can be made. According to the CIRA Policy, a Complainant must prove one of the three factors listed on a balance of probabilities.

However, showing actual bad faith with positive evidence can be quite difficult, particularly given the limited scope of the inquiry in these proceedings. The Panel is therefore of the opinion that it can take into consideration surrounding circumstances and draw inferences to determine whether or not Registrant's actions are captured by paragraph 3.7. See, in this respect, *Canadian Broadcasting Corporation v. William Quon* (DCA 681-CIRA, April 8, 2003), wherein the Panel found that "to require the Complainant to provide direct evidence of the Registrant's bad faith would allow a Registrant with a certain amount of skill to easily evade the application of the CIRA Policy, hence rendering its application moot or irrelevant (...) therefore, once the Complainant has presented sufficient evidence to establish one of the situations in 3.7, it is incumbent upon the Respondent to either respond or explain why its conduct should not be considered bad faith". Thus, while good faith is to be presumed, it is the Panel's understanding of the Policy is that although the initial burden to prove Respondent's **bad faith** in the registration or the use of the disputed domain name lies squarely on the shoulders of Complainant, once a *prima facie* case of **bad faith** has been made by Complainant, as the Panel finds in the present case, it is up to Respondent to either justify its business conduct, explain it, or demonstrate satisfactorily the contrary. See, to this effect: *The Royal Bank of Scotland Group and National Westminster Bank v. Pedro Lopez and A&A System Solutions and Alberto Rodriguez* (WIPO Case No: D2002-0823, December 3rd, 2003); *AT&T Corp. v. Linux Security Systems* (WIPO Case No. DRO2002-0002, October 11th, 2002).

Complainant asserts in page 9 of its Complaint that a finding of bad faith is warranted with regard to Registrant under paragraph 3.7(c) of the Policy. With regard to registration of the disputed Domain Name primarily for the purpose of disrupting the business of Complainant, it must first be noted that, as Schedules 21 and 22 of the Complaint show, Registrant had knowledge of Complainant's denomination as "Debt Recovery Network", even referring to it as "DRN" in October 1999, more than three years before the registration of the disputed Domain Name. Moreover, the September 1999 letter addressed to Registrant, attached as Schedule 23, also refers to Complainant as "DRN". Moreover, the disputed Domain Name is comprised solely of Complainant's Mark, and as such there is an inference to be drawn that this use constituted bad faith. See, for example, *Bank of Am. Corp. v. Out Island Props., Inc.*, FA 154531 (Nat. Arb. Forum June 3, 2003) where it was stated that since the disputed domain names contain entire versions of Complainant's marks and are used for something completely unrelated to their descriptive quality, a consumer searching for Complainant would become confused as to Complainant's affiliation with the resulting search engine website in holding that the domain names were registered and used in bad faith. See also *G.D. Searle & Co. v. Celebrix Drugstore*, FA 123933 (Nat. Arb. Forum Nov. 21, 2002) where the Panel find that Respondent registered and used the domain name in bad faith pursuant to Policy ¶ 4(b)(iv) because Respondent was using the confusingly similar domain name to attract Internet users to its commercial website.

Regarding the second element of paragraph 3.7 (c), namely that Complainant and Registrant are competitors, it has been alleged in the Complaint, and has remained uncontested by Registrant, that Complainant and Registrant offer similar wares and services. Moreover,

Schedule 22 of the Complaint clearly establishes that Registrant considers itself and Complainant to be competitors. This competitive relationship, along with the knowledge Registrant had of Complainant's main business name for many years, and with the fact that the disputed Domain Name is comprised solely of that name, allows the Panel to infer that such a registration was made primarily to disrupt Complainant's business, and that it constitutes a bad faith registration pursuant to paragraph 3.7(c) of the Policy. See, for example, *Surface Prot. Indus., Inc. v. Webposters*, D2000-1613 (WIPO Feb. 5, 2001) where it was found that, given the competitive relationship between Complainant and Respondent, Respondent likely registered the contested domain name with the intent to disrupt Complainant's business and create user confusion); and *S. Exposure v. S. Exposure, Inc.*, FA 94864 (Nat. Arb. Forum July 18, 2000) wherein Respondent acted in bad faith by attracting Internet users to a website that competes with Complainant's business); see also *EthnicGrocer.com, Inc. v. Unlimited Latin Flavors, Inc.*, FA 94385 (Nat. Arb. Forum July 7, 2000) where it was held that the minor degree of variation from Complainant's marks suggests that Respondent, Complainant's competitor, registered the names primarily for the purpose of disrupting Complainant's business.

For these reasons, the Panel concludes that the Registrant has registered the domain name in bad faith as described in paragraph 3.7(c) of the Policy. It follows from this conclusion that Registrant's claim for costs is also rejected by the Panel.

8. Decision

Having established all three criteria under the Policy, the Panel orders that the domain name, <drm.ca> be transferred to the Complainant forthwith.

Jacques A. Léger, Q.C.
Presiding Panellist

James Redmond
Panellist

John Rogers
Panellist

Date: April 29th, 2005