

IN THE MATTER OF
A Complaint pursuant to the Canadian Internet Registration Authority (**CIRA**)
Dispute Resolution Policy (**CDRP**) and Domain Name Dispute Resolution Rules (the **Rules**).

CIRA File Number: DCA-1927-CIRA
Complainant: Payless ShoeSource Worldwide, Inc.
Registrant: Mike Leigh
Domain in Dispute: paylessshoesource.ca
Registrar: Namespro Solutions Inc.
Sole Arbitrator: Michael Erdle
Service Provider: British Columbia International Commercial Arbitration Centre
(BCICAC)
BCICAC File No: DCA-1927-CIRA

DECISION

On November 3, 2017 the Complainant filed a complaint against the Registrant with the BCICAC, seeking that the registration of <paylessshoesource.ca> (the “Domain Name”) be transferred to the Complainant.

In a letter dated November 8, 2017, the BCICAC confirmed the Complainant was in administrative compliance with the Policy and the Rules.

The BCICAC forwarded a copy of the complaint to the Registrant via electronic transmission. The Registrant has not responded to the BCICAC with respect to the complaint.

In a letter dated November November 29, 2017, the BCICAC noted that the time to submit a response to the complaint had expired. Accordingly, under Rule 6.5, the Complainant was permitted to elect to convert from a three-person tribunal to a single arbitrator. The Complainant elected to do so.

I was appointed as sole arbitrator on December 7, 2017 and accepted the appointment on December 8, 2017.

Factual Background

In accordance with Rule 5.8, having received no response to the complaint, I shall decide the complaint based on the facts in the Complaint and accompanying materials, as set out in this award.

The Complainant is Payless ShoeSource Worldwide, Inc., whose principal office is located at 3231 SE Sixth Avenue, Topeka, Kansas U.S.A. 66607.

The Registrant is Mike Leigh, whose address is Box 276, 130-8191 Westminster Highway Richmond, BC V6X 1A7.

The Complainant is a leading retailer of footwear and related accessories. It traces its roots to a company founded in 1956 in Topeka, Kansas. The first PAYLESS SHOESOURCE retail location opened in Canada in 1997. There are currently more than 200 PAYLESS SHOESOURCE retail locations in Canada, in all ten provinces. Outside Canada, the Complainant has a network of over 3000 stores in the over 30 countries.

The complainant is the owner of the following trademarks PAYLESS SHOESOURCE (the “Trademark”), registered in the Canadian Intellectual Property Office (“CIPO”) under registration number TMA 485,137. The Trademark was registered on October 31, 1997 and most recently renewed on October 31, 2012.

The Complainant is also the owner of many other trademarks registered in Canada which include the element “PAYLESS”, including:

PAYLESS (Reg. November 6, 1997; Reg. No. TMA 485,373)

PAYLESS SHOES & ACCESSORIES (Reg. March 19, 1997; Reg. No. TMA 473,088)

PAYLESS.COM (Reg. June 16, 2005; Reg. No TMA 612899)

All are registered for use in association with shoes or the retail sale of shoes.

The Complainant sells all kinds of footwear in Canada, including men’s, women’s and children’s shoes, hosiery and related personal accessories. It sells millions of pairs of shoes in Canada every year.

The Complainant displays and uses the Trademark, and associated marks, in its physical retail locations, and in related advertising and marketing.

The Complainant is the owner of the domain name <payless.com> and uses the Trademark on its Canadian online retail website <Canada.payless.com> (the “Payless Canada site”). That site provides information about sales and special offers available at PAYLESS SHOESOURCE retail stores in Canada. The Payless Canada site also provides Internet users with information about the location of PAYLESS SHOESOURCE retail stores, customer services, and PAYLESS REWARDS, the Complainant’s loyalty program.

The Complainant is also active on social media and has accounts on Facebook, Twitter, and Instagram, among others, which display the Trademark.

According to the WHOIS report filed by the Complainant, the Domain Name was registered with the Registrar Namespro Solutions Inc. on September 11, 2004.

The Domain Name has at times resolved to a “parked” website that displays a number of advertisements and hyperlinks to sites not related to or endorsed by Complainant, including third party providers of shoes and accessories who are direct competitors of the Complainant.

Remedy Sought

The Complainant requests that the Administrative Panel appointed in this administrative proceeding issue a decision that the Domain Name be transferred to the Complainant.

Reasons

Eligibility

The Complainant satisfies CIRA's eligibility requirements for Complainants, pursuant to paragraph 1.4 of the Policy, because the complaint relates to a trademark registered with the Canadian Intellectual Property Office and the Complainant is the owner of the trademark.

The Respondent has not made any submissions of any kind in response to the Complaint. Nevertheless, under the Policy, the onus is on the Complainant to prove on a balance of probabilities that the domain name is confusingly similar to Complainant's trademark(s), that Complainant has rights in the mark, and that it has been registered in bad faith. The Complainant must provide "some evidence" that the Registrant has no legitimate interest in the disputed domain name.

1. Confusingly Similar & Rights in the Trade-mark

A domain name is "Confusingly Similar" to a Mark if the "domain name 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". In assessing whether a domain name is "Confusingly Similar", the Panel shall only consider the appearance, sound, or idea suggested and not have regard to other factors. The "domain name", for the purposes of the Policy, means the domain name excluding the dot-ca suffix. (Policy, paragraph 3.3; and see: *Glaxo Group Limited v. Defining Presence Marketing Group Inc. (Manitoba)*, BCICAC, Case No. 00020, 2004)

In this case, the Domain Name is identical to the Complainant's Trademark (other than the space between words). The Trademark had been used extensively in Canada for many years before the Registrant registered the Domain Name. The Domain Name is also similar to the Complainant's corporate name and to other registered trademarks owned by the Complainant that include the word "PAYLESS", all of which pre-date the registration of the Domain Name.

The registration of a mark with CIPO is sufficient in and of itself to establish "rights" within the meaning of the Policy. (*Viacom International Inc. v. Harvey Ross Enterprises Ltd.*, BCICAC, Case No. 00015, 2003)

Consumers would likely mistake the Domain Name for the Trade-mark, since (i) the Domain Name is identical to the Trademark, (ii) the Trademark is the subject of at least three Registrations which pre-date the registration of the Domain Name, and (iii) the Trademark has been used, and has developed goodwill, throughout Canada.

Internet users who try to find a website operated by the Complainant either by entering a domain name including the Trade-mark into the address bar of the Internet browser, or by entering the key term of the Domain Name into an Internet search engine, may be confused and misled by the Domain Name.

Based on the foregoing, I find that the Complainant has rights in the Trademark and that the Domain Name is confusingly similar to the Trademark.

2. Legitimate Interest

The Policy requires that the Complainant must provide some evidence that the Registrant has no Legitimate Interest in the Domain Name. If the Complainant meets this burden, the Registrant may still succeed if it proves, on a balance of probabilities, that it has a Legitimate Interest in the Domain Name. The Respondent has not made any submissions in this case, so it simply falls to the Complainant to provide “some evidence” of no legitimate interest.

Paragraph 3.4 of the Policy provides a non-exhaustive list of instances when a registrant can establish 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;

The Registrant has no rights to use the Trademark and, on a balance of probabilities knew or ought to have known that Complainant had exclusive rights to the mark in Canada.

(b) the Registrant used 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;

There is no evidence that the Registrant ever used or is preparing to use the Domain Name in connection with any bona fide wares or services. The Domain Name is “parked” and used to generate advertising revenues from third party links, at times including links to Claimant’s competitors.

(c) the Registrant used 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;

The Domain Name is not a generic word in Canada nor is it a generic name of the Registrant’s “services”. It is identical to Complainant’s registered PAYLESS SHOESOURCE trademark that has been associated with Complainant’s business in Canada since 1997. By virtue of extensive use and advertising, the Complainant’s Trademark has become distinctive of its wares and services.

(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;

The Domain Name is not being used in association with a non-commercial activity. It is used in connection with a website that merely links to third party advertising, at times including advertising by Complainant’s competitors.

(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

The Domain Name is not the legal name of the Registrant. Nor is there any evidence that PAYLESS or PAYLESS SHOES was a name, surname, or other reference by which the Registrant was commonly identified.

(f) the domain name was the geographical name of the location of the Registrant's non-commercial activity or place of business.

The Domain Name is not the geographical name of the location of the Registrant's non-commercial activity or place of business.

Based on the foregoing, I find that the Registrant has no legitimate interest in the Domain Name.

3. Registration in Bad Faith

The Complainant claims that the Registrant has used and registered the Domain Name in bad faith because it registered the Domain Name to exploit the goodwill of, and cause confusion with, the Trademark, and to disrupt the business of the Complainant.

The Registrant's use of the Complainant's Trademark in the Domain Name attracts users to Registrant's website through consumer confusion with the Trademark, creating traffic and advertising revenue for Registrant's website, which in turn may lead users to the websites of competitors of the Complainant.

The Trademark has become distinctive of the Complainant's products and services, through extensive use and advertising by the Complainant. It is reasonable to conclude, on a balance of probabilities, that the Registrant was aware of the Complainant, and of the Trademark, and of the likely confusion generated by the Domain Name and the Registrant's Website.

It would be unreasonable to think that Registrant chose this particular Domain Name by accident or without any knowledge of Complainant's business in Canada.

It is well established in CDRP proceedings that resolving a domain name to an Internet portal with a view to reaping a commercial advantage by attempting to capitalize on customer confusion constitutes prima facie evidence of bad faith. (See *LEGO Juris A/S v. Carswell*, RC, Case No. 00150; *Fluor Corp. v. Schneider*, RC, Case No. 00156; *Mr. Appliance Corp. v. Computerfest*, BCICAC, Case No. 00165; and *Sittercity Incorporated v. Mocilac*, BCICAC, Case No. 00169.)

The Registrant has registered the Domain Name in order to profit from the confusion that the Domain Name, in combination with the Registrant's Website, might create in the minds of consumers.

The Registrant is financially compensated when Internet users follow any of the links on the Registrant's website, and is thus acting for commercial gain.

The use of the Domain Name by the Registrant constitutes passing off, trademark infringement and depreciation of goodwill, under the trademark laws of Canada, and is contrary to the *Trade-marks Act*.

Based on the evidence and submissions of the Claimant, I find on a balance of probabilities, that the Registrant registered the Domain Name in bad faith.

Decision and Order

Based on the uncontested evidence of the Complainant, including the facts and arguments in the Complaint and supporting documents, I find that the Complainant has satisfied the requirements and burden of proof in the Policy and the Rules.

I find that the Claimant has rights in the Trademark.

I find that the Domain Name is confusingly similar to the Trademark, that the Registrant has no legitimate interest in the Domain Name and has registered the Domain Name in bad faith.

I hereby order and direct that the registration of the Domain Name be transferred from the Registrant to the Complainant.

Dated this 20th day of December 2017

A handwritten signature in black ink, appearing to read 'M. Erdle', with a horizontal line extending to the right.

Michael Erdle,
C.Arb; FCI Arb.