

- b. Registrations in the .BIZ TLD must comply with the Uniform Dispute Resolution Policy ("UDRP"), as adopted and as may be amended by the Internet Corporation of Assigned Names and Numbers. For proceedings initiated before the Commencement-of-Service Date, a modified version of the UDRP, known as the Start-Up Trademark Opposition Policy ("STOP") will apply.

[6] Various companies are accredited by the Internet Corporation for Assigned Names and Numbers ("ICANN") to sell or re-sell domain names to the public. These companies are called domain name "registrars". 4Domains, Inc., doing business as Blueberry Hill Communications Inc. (the "registrar") is such a domain name registrar and was the one that the applicant used to register canadian.biz. The registrar, 4Domains, Inc., is more precisely described as domain name re-seller that registers domain names on behalf of Neulevel Inc., which is the exclusive operator of the .biz domain name registry.

[7] Since the domain name was not available through 4Domains, Inc. on a first come first served basis, but was the subject of competing bids for registration, the applicant could not count on being the successful bidder and subsequent registrant. Accordingly, the applicant did not undertake any preparations to develop and use the domain name, canadian.biz, except for conceiving of a web portal site and meeting place for Canadian businesses and entrepreneurs to meet, interact, and conduct business together.

[8] The registration of this domain name was part of a complicated round-robin process initiated by Neulevel Inc., which involved opening up registration attempts to the 70 or more domain name registrars or resellers world wide. Each reseller was allowed to submit just one person's name, which was put into the round-robin process.

[9] 4Domains, Inc. was one of the few resellers that chose to have an open, public auction for the names, with competing bids potentially pushing the price of popular domain names higher. At the end of the auction process, 4Domains, Inc. submitted just the one winning bid to Neulevel Inc. to enter the round-robin process, which was a draw from among all of the names submitted for that same domain from all the resellers.

[10] After first winning the 4Domains, Inc. auction process, the applicant was fortunate to also win the round-robin drawing and gain ownership of the domain name, which was registered at a cost of US \$49.

[11] On or about April 10, 2002, the applicant was contacted by Lori A. Ball, who identified herself as "Manager, Legal Administration, and Secretary" for Molson Canada. Ms. Ball advised that her company sold "a well known brand of beer called, 'CANADIAN', that was the subject of a Canadian trade-mark registration". Ms. Ball further demanded that as a result, the applicant must transfer the domain name to Molson Canada or she would initiate a complaint with ICANN over the applicant's registration of the domain name.

[12] On April 30, 2002, the applicant replied to Ms. Ball via email, and advised her that he had no intention of using the domain name in connection with beer or their product or to otherwise confuse the public. The applicant also advised Ms. Ball that the word, "Canadian", is an "incredibly generic" term and that he believed that his registration of canadian.biz was perfectly valid.

[13] In an email to the applicant dated April 24, 2002, Ms. Ball admitted to the applicant, that the sole basis and reason for Molson Canada's claim to the applicant's domain name, was their concern that it may be inappropriately used by someone in the future.

[14] Ms. Ball's email states:

However, because it is such a very important trade-mark for our company, we feel it is necessary to pursue this IP claim in connection with the domain name canadian.biz. While we appreciate that it may not be your present intention to use this domain name to create negative publicity or confusion in the public's mind about our product or our company, we cannot be certain that your plans will not change or that some possible future owner of the domain name will have the same honourable attitude.

Moreover, regardless of your intentions, the fact remains that by registering the domain name CANADIAN.biz, you are preventing Molson from reflecting its trade-mark in a corresponding domain name. In order to protect our brand name, we intend to proceed with the IP claim. Our offer to accept a transfer of the name and to reimburse you for your reasonable costs in obtaining this domain name still stands.

Prior Proceeding

[15] Molson Canada commenced a complaint with the National Arbitration Forum (the "NAF") against the applicant in connection with his registration of the domain name on April 26, 2002. The NAF is a dispute resolution provider accredited by ICANN to provide "administrative hearings" of a summary nature in order to resolve disputes between domain name registrants and complainants. As a registrant of a ".biz" domain name, the applicant agreed in his Registration Agreement to submit to such an administrative hearing, if commenced.

[16] The NAF is mandated to employ the ICANN *Start-up Trademark Opposition Policy ("STOP")*, the ICANN *Uniform Dispute Resolution Policy ("UDRP")* and *STOP Rules*, to resolve complaints.

[17] On May 30, 2002, the NAF appointed Robert R. Merhige Jr. to adjudicate the dispute. In his decision dated June 11, 2002, he directed that the registration of the domain name Canadian.biz be forthwith transferred to Molson Canada.

[18] Pursuant to para.4(k) of the *UDRP* and *STOP*, by issuing the within application and delivering a copy to the applicable registrar, the applicant has caused the transfer of the domain name to be automatically frozen pending the decision of the court.

[19] The criteria used by Mr. Merhige in arriving at his decision were:

Paragraph 4(a) of the STOP Policy requires that the Complainant must prove each of the following three elements to obtain an order that a domain name should be transferred:

- (1) the domain name is identical to a trademark or service mark in which the Complainant has rights; and
- (2) the Respondent has no rights or legitimate interests in respect of the domain name; and
- (3) the domain name has been registered or is being used in bad faith.

[20] I note that in order for the complainant Molson Canada to be successful in having the domain name transferred to it, all three elements must be proven.

Identical Trademark

[21] Molson Canada owns the registered trademark "CANADIAN". Mr. Merhige concluded, "It's beyond question that the domain name in issue is identical to the mark in which Complainant has rights".

[22] But, is that the end of the enquiry? Does that mean that Molson Canada should automatically have the domain name canadian.biz transferred to it? The fundamental problem stems from the registration of the generic name, "Canadian", as a trademark. Until this case, I was unaware that the word "Canadian" was a registered trademark of Molson Canada. In my view the trademark registration should only have been allowed as "Molson Canadian".

[23] In the registration details for the registration of the trademark CANADIAN there is the following disclaimer:

The Applicant disclaims the right for the purpose of this application and the resulting registration to the exclusive right to the use of the word CANADIAN apart from the trade-mark in connection with all of the wares except brewed alcoholic beverages, namely beer.

[24] From this disclaimer I conclude that Molson Canada intended to use the word "CANADIAN" only with respect to beer. Therefore, since the trademark registration does not give Molson Canada exclusive use of the word "Canadian", any person should be able to own the domain name, "canadian.biz".

[25] There are hundreds of Canadian businesses and entities which use the word "Canadian" as a prefix or suffix for identification purposes.

[26] I venture to say that the word "Canadian" accompanied by the suffix "biz" would not conjure up in the minds of most Canadians as referring to Molson Canadian beer.

[27] I also note that there are other domain names containing the word "Canadian" which have been registered as: canadian.ca; canadian.com; canadian.net; and canadian.org. These domain names are owned by persons other than Molson Canada.

[28] If canadian.biz has to be transferred to Molson Canada because it is identical to Molson Canada's trademark "CANADIAN", then it follows that the other above domain names containing the word "Canadian" should also be transferred to Molson Canada. However, although these other domain names have been registered for some time, Molson Canada has apparently taken no steps to challenge those registrations and Molson Canada has apparently suffered no prejudice by their existence.

[29] Mr. Merhige's decision is dated June 11, 2002. Another decision by a different panelist dealing with "American.biz" was released June 13, 2002. (See *American Airlines Inc. v. WebWide Internet Communication GmbH*, Claim No.FA0204000112518, (Nat.Arb.Forum), June 13, 2002.) That decision came to the opposite conclusion and refused to transfer the domain name to the complainant.

[30] In that case American Airlines is the owner of registered mark "American" for goods described as "model airplanes made of plastic, metal and wood; model airplanes incorporating a metal coin bank". The respondent registrant of "American.biz" is in the business for hotels, travel and tourism industry.

[31] Estella S. Gold, Panelist, found, "It is undisputed that the mark 'American' is identical to the registration of the domain name 'American.biz' for this STOP proceeding". In her reasons she states:

On the whole, courts have held that the addition or variation of any element of AMERICAN, no matter how slight, will remove it from the geographically descriptive category for American-based sellers. For example, AMERICAN GIRL shoes, ALL AMERICAN on radios, AMERICAN PLAN CORPORATION for insurance services, and AMERICANA for hotel services, were held arbitrary uses.

American Airlines, however, did not add additional words or a variation of any element of 'American', in its registration of the mark at issue. The unadorned, simple word AMERICAN as used by Complainant herein has been repeatedly held geographically descriptive (and therefore unprotectable) on paper cups, ceramic tiles, gasoline, truck bodies, and automobile associations.

[32] Simply because a domain name is identical or similar to a trademark name should not result in the transfer of the domain name to the trademark owner. In my view, unless there is some evidence that the use of the domain name infringes on the use of the trademark name, a person other than the owner of the trademark should be able to continue to use the domain name.

Rights or Legitimate Interests

[33] In his response to Molson's complaint the applicant stated:

... I have every intention of using it, and not merely to sell it to Molson or someone else, (although I understand that arbiters have determined that even that is a legitimate business effort in some circumstances). I'm not sure how much of my plans I am required to reveal (considering confidentiality concerns), but I can say that I have, to name just one example, been engaging with the Canadian E-Business Opportunities Roundtable. The final report has finally been released, titled: 'Fast Forward 3.0: Maintaining the Momentum.' ... The report

indicates that more and more Canadian businesses are going online, and Canadian e-commerce last year netted US\$26 billion. Canada is now number 3 in the world in terms of e-readiness, and Canadians access the Internet more per capita than any other G8 nation. Finally, 63 percent of Canadian businesses were online as of 2000, a number that is growing daily. It is the growth and success of Canadian businesses that use the Internet that I plan to utilize for my own profit-seeking venture by using the canadian.biz domain. I was working toward this goal far in advance of my successful registration of the domain name. That is *why* I registered it.

[34] Mr. Merhige, in his decision, states that the applicant's above response statement, "... can be characterized only as an unsupported self-serving allegation which is insufficient to establish any rights or legitimate interests in respect to the domain name in issue."

[35] Mr. Merhige also states, "... there is nothing in the record of any demonstrable preparations to use the domain name or a name corresponding to the domain name in connection with a *bona fide* offering of goods or services."

[36] But, the restriction on registering "biz" domain names states, "... must be used or intended to be used (emphasis added) primarily for *bona fide* business or commercial purposes." The applicant was not required to put forward a complete business plan as to his proposed use of the domain name "canadian.biz". Because of the manner in which this domain name was "auctioned off" I suspect that very few hopeful registrants spent a lot of time developing specifics on how they would use the domain name if they were the lucky winners of the right to register the domain name "canadian.biz".

[37] It seems to me that there is sufficient evidence that the applicant intended to use "canadian.biz" for a *bona fide* business or commercial purpose.

[38] I note that Molson Canada's complaint does not outline how it intended to use "canadian.biz".

[39] The following are some of the domain names owned by Molson Canada:

molsoncanadian.biz
molson.biz
molson.com
molsoncanadian.com
molsoncanadian.info
molsoncanadian.net
molsoncanadian.org

[40] I doubt that the public would confuse "canadian.biz" with either "molsoncanadian.biz" or "molson.biz". I find it difficult to understand why it is necessary that Molson Canada also own "canadian.biz" except to prohibit anyone else from owning it.

Bad Faith

[41] Mr. Merhige's decision on the bad faith element states:

I find that the registration by the Respondent of record, whether it be as it would appear from the official record of Blueberry Hill Communications, Inc., or Douglas Black four years subsequent to Complainant's registration of its Canadian trademark, and almost 50 years subsequent to the Complainant's first use of the mark constitutes bad faith.

[42] I interpret that statement to mean that because Molson Canada owns the trademark "CANADIAN", and everyone is presumed to know about the "CANADIAN" trademark, anyone who registers "canadian.biz" does so in bad faith. I do not agree with the finding of bad faith. If Mr. Merhige is correct, the only person who could register "canadian.biz" without bad faith is Molson Canada.

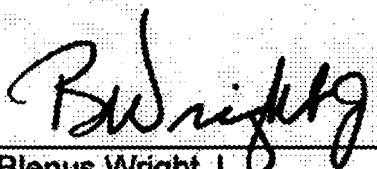
[43] In my view Molson Canada failed to prove all three elements required for its complaint to be allowed.

[44] There is no reason why the applicant should not be the owner of the domain name "canadian.biz". There is no compelling reason to transfer the domain name "canadian.biz" to Molson Canada.

[45] Therefore, the following declarations shall issue:

1. Douglas Black is the rightful registrant of the domain name, "canadian.biz" as against Molson Canada.
2. Molson Canada has no valid rights, title, or interest in the domain name "canadian.biz" as against Douglas Black.

[46] The applicant shall have his costs of the application. If counsel cannot agree on costs they may provide me with written submissions on costs.


Blenus Wright J.

Released: July 18, 2002