

INTELLECTUAL PROPERTY BULLETIN

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DOMAIN NAME DISPUTES

KEY DIFFERENCES BETWEEN .CA AND .COM POLICIES IN DETERMINING BAD FAITH

International corporations hoping to assert their Canadian online rights with "dot.ca" domain names take note: a recent Canadian Internet Registration Authority ("CIRA") decision might affect you. The decision resolving a dispute between the Microsoft and Microscience corporations¹ spells out the differences in the interpretations of the *bad faith* requirement under the CIRA Dispute Resolution Policy ("CDRP") and the Internet Corporation for Assigned Names and Numbers ("ICANN") Uniform Domain Name Dispute Resolution Policy ("UDRP"). Plaintiffs familiar with the UDRP may be unpleasantly surprised to find that it is harder to establish bad faith under the CDRP.

CIRA AND ICANN JURISDICTION

CIRA regulates all "dot.ca" domain names, while ICANN regulates the top-level domain name system that includes "dot.com". The CDRP and UDRP were developed several years ago to give businesses a less expensive and easier way to reclaim domain names infringing on their trade-marks or trade names. Under UDRP, an arbitrator or panel from an administrative dispute resolution service provider, like the World Intellectual Property Organization ("WIPO") Arbitration and Mediation Centre may be appointed to gather relevant facts and entertain arguments from the parties and reach a decision. Under CDRP's similar process, CIRA initiated proceedings are assigned to either the British Columbia International Commercial Arbitration Centre ("BCICAC") or Resolution Canada to appoint a one or three-person arbitration tribunal to administer the proceedings and resolve the dispute.

Both CDRP and UDRP require complainants to establish three factors to succeed:

1. the domain name is *confusingly similar* to a trade-mark;
2. the domain name was registered in *bad faith*; and
3. the Registrant has *no legitimate interest* in the domain name.

THE MICROSOFT DECISION

In the Resolution Canada *Microsoft v. Microscience* proceeding, Microsoft had sought the return of the "msnsearch.ca" domain name claiming that it infringed Microsoft's trade-marks.

Confusingly Similar to a Trade-mark

Microsoft was able to successfully show that it had rights to various MSN trade-marks prior to the date the infringing domain name was registered and the panel agreed that the domain name was confusingly similar to Microsoft's marks.

¹*Microsoft Corporation v. Microscience Corporation (P.E.I.)*, CIRA Dispute 00034, July 19, 2005. [*Microsoft v. Microscience*]

Bad Faith

Both CDRP and UDRP set out the scenarios under which *bad faith* may be found. Three of these scenarios are the same in each policy. However, as can be seen in the table below, the UDRP contains an additional scenario that is not mirrored in the CDRP.

<i>BAD FAITH</i>	
<i>CDRP</i>	<i>UDRP</i>
1. The Registrant's purpose in registering the domain name is to sell the domain name to the complaining party or its competitors; or	1. The Registrant's purpose in registering the domain name is to sell the domain name to the complaining party or its competitors; or
2. the Registrant registered the domain name to keep the complaining party from registering their mark as a domain name, evidenced by a pattern of similar behaviour; or	2. the Registrant registered the domain name to keep the complaining party from registering their mark as a domain name, evidenced by a pattern of similar behaviour; or
3. the Registrant's purpose is to disrupt a competitor's business.	3. the Registrant's purpose is to disrupt a competitor's business; OR
	4. THE REGISTRANT, FOR COMMERCIAL GAIN, IS INTENTIONALLY USING THE DOMAIN NAME TO ATTRACT INTERNET USERS TO THE SITE BY CREATING A LIKELIHOOD OF CONFUSION WITH THE COMPLAINING PARTY'S MARK

To establish that Microscience registered "msnsearch.ca" in bad faith, Microsoft presented evidence that "MSN" is a well-known mark of which the Registrant was aware when it registered its domain name. Microsoft argued that the Registrant should have known its registration would cause confusion. Microsoft had submitted similar evidence in an earlier dispute² before the WIPO Arbitration and Mediation Centre, where the presiding panel found the evidence sufficient to demonstrate the registrant's bad faith under the UDRP.

However, the CIRA panel did not find this evidence sufficient to establish bad faith under the applicable CDRP. Acknowledging that the same evidence would constitute bad faith under UDRP, the panel cited the different language in the two policies as the reason for the inconsistent outcomes. It went on to say "*...the CIRA Policy defines "Bad Faith" very restrictively. There will be no finding of Bad Faith unless one or more of only the three specifically defined circumstances are proved.*"

In reviewing the three criteria for bad faith set out in the CDRP, the panel found that Microsoft did not satisfy its burden under the first scenario because it had no evidence that Microscience offered to sell anyone the registration for a profit exceeding its registration fees. The panel found Microsoft failed to satisfy the second

² *Microsoft Corporation v. MSNetworks*, Case No. D2002-0647, September 27, 2002.

scenario because Microscience's registration of the confusingly similar "msnsearch.ca" did not prevent Microsoft from registering its marks since the disputed domain name and the marks were not exact matches in all respects (due to the addition of the word "search"). The panel did not look into whether Microscience had engaged a repeated pattern of behaviour since Microsoft had not satisfied the first part of the test. Finally, the panel found that Microsoft failed to satisfy the third bad faith scenario because Microscience was not a competitor to Microsoft.

Thus, unable to satisfy any of the conditions required for bad faith, Microsoft's claim to have the "msnsearch.ca" domain name returned failed even though the disputed domain name was confusingly similar to Microsoft's trade-marks.

THE LESSON LEARNED

Since the CDRP does not include the UDRP's fourth bad faith scenario, the complaining party faces a more stringent burden to establish the bad faith requirement. This involves gathering evidence of the registrant's monetary demands in exchange for the domain name, the registrant's past cybersquatting behaviour, and evidence that the registrant is a competitor or is using the domain name to disrupt the business of the complainant. The more evidence a corporation can collect on these issues, the more likely the corporation will succeed in establishing the registrant's bad faith.

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The foregoing provides only an overview. Readers are cautioned against making any decisions based on this material alone. Rather, a qualified lawyer should be consulted.

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