

**IN THE MATTER OF A COMPLAINT PURSUANT TO THE  
CANADIAN INTERNET REGISTRATION AUTHORITY  
DOMAIN NAME DISPUTE RESOLUTION POLICY**

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Case number: DCA-816-CIRA

Disputed Domain Name: **sothebys.ca**

Complainant: Sotheby's (Canada) Inc.,

Registrant: PII Technologies Inc. and Keith Lihou

Registrar: Internic.ca Corporation

Service Provider: British Columbia International Commercial Arbitration Centre

Panel Members: James E. Redmond (Chair)  
Peter Cooke  
David M. Robinson

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**Administrative Panel Decision**

**1. Parties and Disputed Domain Name**

The Complainant is Sotheby's (Canada) Inc., a wholly owned subsidiary of Sotheby's Holdings Inc. of Michigan U.S.A , which has a principal office and place of business at 9 Hazelton Avenue, Toronto, Ontario, Canada. The Complainant is represented by legal counsel, David Deonarine of Gowling Lafleur Henderson LLP, Suite 4900, Commerce Court West, Toronto, Ontario Canada M5L 1J3.

The Registrant is collectively, Keith Lihou, carrying on business as PII Technologies Inc., and PII Technologies Inc., of 286 Lakeshore Blvd, Suite 301, Oakville, Ontario, Canada L6J 7S4. The Registrant is not represented by legal counsel.

The disputed domain name is **sothebys.ca** and the registrar of record for that domain name is Internic.ca Corporation of 43 Auriga Drive, Nepean, Ontario, Canada K2E 7Y8 (the "Registrar").

## 2. Procedural History

This is an administrative proceeding pursuant to the CIRA Domain Name Dispute Resolution Policy (the "Policy") and the CIRA Domain Name Dispute Resolution Rules, version 1.2 (the "Rules") adopted by the Canadian Internet Registration Authority ("CIRA"). By registration of the domain name with the Registrar, the Registrant agreed to the resolution of certain disputes pursuant to the Policy and the Rules.

According to information provided by the dispute resolution services provider, the British Columbia International Commercial Arbitration Centre, (the "Service Provider"), the history of this proceeding is as follows:

- (a) A complaint submission under the Policy, in the English language, dated November 22, 2004, was filed with the Service Provider on behalf of the Complainant on November 22, 2004 and notice was provided to the Registrant in conformance with the applicable rules of procedure.
- (b) An extension of time for delivery of a response was requested by the Registrant and an extension was granted in accordance with Rule 5.4
- (c) A response submission under the Policy, in the English language dated December 21, 2004 was filed with the Service Provider on behalf of the Registrant on December 29, 2004 and notice was provided to the Complainant in conformance with the applicable rules of procedure.
- (d) In reply to issues raised in the Registrant's response, the Complainant filed with the Service Provider a response dated January 26, 2005 contesting the claim for costs advanced by the Registrant. Notice was provided to the Registrant in conformity with the applicable rules of procedure.
- (e) The Service Provider appointed a three-person panel, comprised of James E. Redmond, Peter Cooke and David M. Robinson, (collectively, the "Panel") and designated James E. Redmond as the Chair of the Panel, in conformity with the applicable rules of procedure.
- (f) Each of the members of the Panel delivered to the Service Provider an Acceptance of Appointment as an Arbitrator and a Statement of Independence and Impartiality in conformity with the applicable rules of procedure.

Both the complaint and the response were filed in the English language, which establishes the language of this proceeding in conformity with the applicable rules of procedure.

The Panel finds that it was properly constituted and appointed in accordance with the Policy and the Rules. Based upon the information provided by the Service Provider, the Panel finds that all procedural requirements for the commencement and maintenance of this proceeding were met.

### 3. Facts

The parent company and the affiliates of the Complainant have since 1744 been engaged in the auction business as a premier auction house for the sale of fine art and other collectibles, and have established a presence in 34 countries in North America, South America, Europe and Asia. In addition to its auction business, Sotheby's, through its exclusive licensee and over 175 exclusive affiliates offers fine real estate properties in over 20 countries, including Canada. Real estate services, including real estate marketing, sales and appraisals have been offered since 1976 and are offered online through a website located at [www.sothebys.com](http://www.sothebys.com). The parent company and the affiliates of the Complainant are the owners of numerous registered trade-marks for SOTHEBY'S in various countries worldwide.

The Complainant is the holder in Canada of the registered trade-mark SOTHEBY'S registered July 2, 1982 as TMA 270782 claiming use in Canada since at least as early as January 31, 1981.

The trade-marks of the Complainant are registered in respect of wares described as, "Catalogues", and in respect of services described as, "conducting auctions of fine and decorative works of art, jewellery, stamps, coins, books, antiques, and other valuable personal property; and appraisals of fine and decorative works of art, jewellery, stamps, coins, books, antiques and other valuable personal property".

The services of the Complainant and its parent company and affiliates have been advertised and promoted on the website [www.sothebys.com](http://www.sothebys.com) since 1994.

The Complainant stipulates that there has never been any relationship between the Complainant and the Registrant and the Registrant has never been licensed or otherwise authorized to use the SOTHEBY'S trade-marks in any manner.

The domain name **sothebys.ca** was registered on March 4, 2004. That registration utilized an intermediary organization described as Privacy.ca. which is listed as the administrative contact and technical contact in respect of the **sothebys.ca** domain name. Privacy.ca is an organization that offers a service to domain name registrants which enables them to conceal their contact information. The CIRA WHOIS database lists the registrant as PII Technologies Inc. Affidavit evidence submitted by the Complainant establishes that PII Technologies Inc. is neither a corporation incorporated under the laws of Canada, or any province or territory of Canada, nor is it the owner of any Canadian trade-mark registrations, as required by CIRA's Canadian Presence Requirements for Registrants.

Communications by the Complainant were sent to Rob Hall, the Chief Privacy Officer of Privacy.ca and also to [lihou@sothebys.ca](mailto:lihou@sothebys.ca), the e-mail address listed on the **sothebys.ca** website. The response received from Privacy.ca indicated that the registrant of the disputed domain name is PII Technologies Inc. The response received from Keith Lihou represented that he is the owner of the **sothebys.ca** domain name. The Complainant alleges that PII Technologies Inc. does not in fact exist as a Canadian corporate entity and that it is simply a

name under which Keith Lihou carries on business. This allegation has not been contested by the Registrant.

The Registrant states that it conducts a technology, real estate consulting and lease finance business in Canada. The Registrant claims that the disputed domain name was registered in good faith with a bonafide intention of developing and implementing a legitimate business plan over time. The Registrant confirms that it has offered to transfer the domain name upon payment of their website development costs of approximately \$5000.00 CAD, plus \$1,000 for legal expenses.

In its response, the Registrant has advanced a claim for costs under paragraph 4.6 of the Policy in the amount of \$5000.00 CAD in respect of "preparing for, and filing material in this proceeding and with respect to our hard costs re: site development". No evidence has been submitted substantiating the nature and amount of the costs claimed.

The Complainant filed a further submission responding to the claim for costs advanced by the Registrant.

#### **4. Parties' Contentions**

The Complainant alleges that the disputed domain name registered by the Registrant is confusingly similar with the registered trade-mark of the Complainant. The Complainant also alleges that the Registrant has no legitimate interest in respect of the disputed domain name. The Complainant additionally contends that the conduct of the Registrant indicates that the domain name has been registered in bad faith. The remedy requested by the Complainant is the transfer of the disputed domain name to the Complainant.

The Registrant disputes the claims of the Complainant and requests an award of costs in its favour pursuant to paragraph 4.6 of the Policy on the basis that the complaint was commenced for the purpose of attempting unfairly and without colour of right, to obtain a transfer of the disputed domain name pursuant to paragraph 4.6 of the Policy.

The Complainant disputes the establishment of grounds for an award of costs in favour of the Registrant and further disputes the Registrant's entitlement to claim for any amounts other than reasonable costs actually incurred in preparing for, and filing material in the proceedings.

#### **5. Applicable Provisions of the Policy and Rules**

The proceeding commenced before the Panel under the Policy is governed by the Rules. Paragraph 12.1 of the Rules provides that in the circumstances of this proceeding, the Panel shall render a decision on the basis of the evidence and argument submitted and in accordance with the Policy, the Rules and any rules and principles of the laws of Ontario and the laws of Canada applicable therein.

The Policy is applicable in circumstances where a Complainant asserts the following required elements:

- (a) The Registrant's domain name is "Confusingly Similar" (as defined in Policy paragraph 3.4) to a "Mark" (as defined in Policy paragraph 3.2) in which the Complainant had "Rights" (as defined in Policy paragraph 3.3) 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 Policy paragraph 3.6; and
- (c) The Registrant has registered the domain name in bad faith as described in Policy paragraph 3.7.

Paragraph 4.1 of the Policy establishes the onus regarding the three required elements. The Complainant bears the onus of proving on a balance of probabilities that, (1) the Registrant's 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", and (2) the Registrant has registered the domain name in bad faith. A Complainant must also provide some evidence that (3) the Registrant has no legitimate interest in the domain name. Paragraph 4.1 of the Policy further provides that even if the Complainant proves (1) and (2) and provides some evidence of (3), the Registrant will succeed in the proceeding if the Registrant proves on a balance of probabilities, that the Registrant has a legitimate interest in the domain name.

Paragraph 4.6 of the Policy and Paragraph 12.6 of the Rules, provide for the Panel to order the Complainant to pay an amount in respect of costs if the Panel finds, and declares in its decision with supporting reasons, that the complaint was commenced for the purpose of attempting, unfairly and without colour of right, to cancel or obtain transfer of the subject domain name registration.

## **6. Discussion and Reasons**

### **(a) Is sothebys.ca Confusingly Similar with the SOTHEBY'S Mark?**

The Complainant submits that the domain name **sothebys.ca** is "Confusingly Similar" to the Complainant's registered trade-mark SOTHEBY'S TMA270,782. The Complainant has provided a certified copy of the trade-mark registration to evidence that it is the registered owner of that trade-mark under 3.2(c) of the Policy. No evidence was submitted by the Registrant to the contrary. The Complainant would therefore appear to have rights in the Mark pursuant to paragraph 3.3 of the Policy.

The Complainant's trade-mark was registered July 2, 1982. The domain name was registered March 4, 2004. The Complainant's rights obviously predate the date of registration of the domain name **sothebys.ca**, and the Registrant did not contest this.

Paragraph 3.4 of the Policy provides a definition of “Confusingly Similar”, as follows:

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.

The Mark and the domain name are virtually identical, distinguishable only by the .ca portion of the domain name, and the apostrophe in the Mark. Paragraph 1.2 of the Policy provides that:

For the purposes of this Policy, “domain name” means the domain name excluding the “dot-ca” suffix ... (1.2 of the Policy)

The absence of punctuation marks has been considered to be irrelevant to the evaluation of the similarity between a domain name and a trade-mark. (*Canadian Broadcasting Corporation/Société Radio Canada v. William Quon*, April 8, 2003; Dispute No. DCA 681-CIRA).

Accordingly, the domain name is Confusingly Similar to the Complainant’s Mark, within the meaning of Paragraph 3.4 of the Policy, and the Complainant had rights prior to the date of registration of the domain name and continues to have such rights.

**(b) Did the Registrant register the domain name in bad faith?**

Paragraph 3.7 of the Policy sets out 3 grounds upon which a Registrant may be considered to have registered a domain name in bad faith. Two of the grounds require consideration in this case.

Paragraph 3.7(a) provides that a Registrant will be considered to have registered a domain name in bad faith if:

the Registrant registered the domain name ... 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 the Registrant’s actual costs in registering the domain in name ...

The evidence before the Panel shows that counsel for the Complainant initially sent a demand letter to the Registrant demanding that the Registrant promptly cease and desist from further use of the SOTHEBY’S Mark, and voluntarily assign the domain name registration to a Sotheby’s company. After receiving a non-committal response by email from the Registrant, Complainant’s counsel reiterated by email their demand to stop using the SOTHEBY’S Mark and to transfer the domain name registration. The Registrant’s email in response asked “what about my costs...”. Further emails passed between the parties, in which the Complainant

asked what it had cost the Registrant to register the domain name, and was told that the costs the Registrant was seeking were the Registrant's expenses in constructing a website and data base, which would not exceed \$5,000, and that an additional \$1,000 would be needed to retain a lawyer. The evidence shows that the actual cost of registering a .ca domain name with the Registrants registrar, Internic.ca is \$50.

The argument advanced by the Complainant in support of its claim that the Registrant registered the domain name primarily for the purpose of selling, renting licensing or otherwise transferring the registration to the Complainant for valuable consideration in excess of the Registrant's actual costs in registering the domain name, was based on the offer by the Registrant to transfer the domain name to the Complainant in return for the payment of \$6,000. In view of the Panel's finding, set out below, under paragraph 3.7(c) of the Policy, the Panel will defer for the moment consideration as to whether this evidence is sufficient to support a finding that the domain name was registered primarily for the purpose of selling of transferring it to the Complainant.

The other applicable ground for a finding of bad faith is paragraph 3.7(c). Under paragraph 3.7(c) of the Policy, a Registrant will be considered to have registered a domain name in bad faith if:

the Registrant registered the domain name ... 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 phrase "disrupting the business of the Complainant" has been interpreted as follows:

[t]his disruption could occur only in the sense that persons encountering the domain name might conclude that the Registrant's business, associated with the domain name, was a business of the Complainant or was at least endorsed, sponsored or approved by the Complainant. Thus, the Complainant's business reputation would be put at risk by the Registrant's business conduct, over which the Complainant had no control." (*I.O.F. v. Norendu (Forester College of Technology)* CIRA Dispute Resolution Case 00017, May 25, 2004)

The Panel in *Glaxo Group Limited v. Defining Presence Marketing Group Inc. (Manitoba)*, Case No. 00020, August 26, 2004, said that:

The phrase 'disrupting the business of the Complainant' as per the Policy has been held to be satisfied where the use of the domain name creates a likelihood of confusion among end users as to affiliation or sponsorship, and includes trademark infringement and passing off ...

The Panel notes that the domain name does not appear to have any connection to the principal of the Registrant or the corporate name used by the Registrant, or to any trade name or

common law mark associated with any business activity of the Registrant but is identical to the widely used and famous trade-mark of the Complainant. The Registrant is using the domain name in association with services that are similar if not identical to services offered by the Complainant. Internet users who come upon the Registrant's website may reasonably believe that it is the Complainant's website or is endorsed, sponsored or approved by the Complainant. The Panel concludes that the conduct of the Registrant in registering the domain name constitutes bad faith under paragraph 3.7(c) of the Policy.

In view of its finding that the Registrant registered the domain name in bad faith within the meaning of paragraph 3.7(c) of the Policy, it is unnecessary for the panel to make a finding as to whether there was also bad faith on the Registrant's part within the meaning of paragraph 3.7(a) of the Policy. The Panel notes that it has been held that a Panel may consider surrounding circumstances to decide whether or not a Registrant has registered a domain name primarily for the purpose of selling it to the Complainant or a competitor. (*Canadian Broadcasting Corporation/Société Radio Canada v. William Quon*, Dispute No. DCA 681-CIRA, April 8, 2003). Some surrounding circumstances which tend to support a finding under paragraph 3.7(a) include the fact that the first substantive response by the Registrant to the Complainant's demand letter was to ask "what about my costs ...", which the Registrant then revealed meant much more than just the cost of registering the domain name, the fact that PII Technologies Inc. does not in fact exist as an incorporated company in Canada, and the use of Privacy.ca to conceal its contact information. While these circumstances tend to cast additional suspicion on the Registrant's intentions in registering the domain name, the Panel finds it unnecessary to reach a conclusion as to whether the inferences that can be drawn would be sufficient to support a finding that the primary motive of the Registrant for registering the domain name was to sell it to the Complainant.

The Panel finds that the domain name **sothebys.ca** was registered in bad faith within the meaning of paragraph 3.7 of the policy.

**(c) Does The Registrant have a legitimate interest in the contested domain name?**

Under paragraph 4.1(c) of the Policy, the Complainant must provide "some evidence" that the Registrant has no legitimate interest in the Domain Name.

The Complainant has provided evidence that it is the owner in Canada of the trade-mark SOTHEBY'S, and stipulates that there has never been any relationship between the Complainant and the Registrant and that the Registrant has never been licensed or otherwise authorized to use the SOTHEBY'S trade-marks in any manner. It is doubtful that this evidence alone would meet the initial onus upon the Complainant. However, the Complainant reviews the criterion set out under paragraph 3.6 of the Policy and submits that the Registrant has no legitimate interest. The Complainant's complaint includes searches to confirm that the Registrant is not the owner of a relevant trade-mark in Canada. Accordingly, by providing this evidence combined with a review of the criteria in paragraph 3.6 of the Policy, the initial onus has been met by the Complainant.



It then becomes incumbent upon the Registrant, in order to succeed in the proceeding, to prove, on a balance of probabilities, the existence of a legitimate interest in the domain name, as described in paragraph 3.6. The Registrant did not address the specific criterion set out in paragraph 3.6 of the Policy, or submit any evidence that would suggest the existence of a legitimate interest in the domain name **sothebys.ca**.

Paragraph 3.6 of the Policy sets forth an exhaustive list of criteria for determining whether a registrant has a legitimate interest in a domain name. It reads as follows:

The Registrant has a legitimate interest in a domain name if, and only if, before the receipt by the Registrant of notice from or on behalf of the Complainant that a Complaint was submitted:

(a) the domain name was a Mark, the Registrant used the Mark in good faith and the Registrant had Rights in the Mark;

(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;

(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;

(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;

(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

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

In paragraphs 3.6 (b), (c), and (d) "use" by the Registrant includes, but is not limited to, use to identify a web site.

The Registrant has provided no evidence that it meets any of these criteria.

Having considered the criteria set out in paragraph 3.6 of the Policy and the submissions of the parties, it would appear that the Registrant has no legitimate interest in the domain name **sothebys.ca**.


## 7. Conclusion

In view of the above findings, the Panel has decided, in accordance with paragraph 4.3 of the Policy, that the registration of the domain name **sothebys.ca** should be transferred to the Complainant and the Panel so directs.

The Registrant requested the Panel to award costs in its favour in the sum of \$5,000. In view of the Panel's findings, the Panel declines to award any costs to the Registrant.

## 8. Signature

James E. Redmond, Peter Cooke and David M. Robinson

  
James E. Redmond, Chair  
Dated February 11, 2005