



**CANADIAN INTERNATIONAL INTERNET DISPUTE RESOLUTION CENTRE
DOMAIN NAME DISPUTE
ADMINISTRATIVE PANEL DECISION**

CIIDRC case number:	18277-CDRP	Decision date: October 30, 2022
Domain Name:	<sexpositive.ca>	
Panel:	The Honorable Neil Anthony Brown, KC (Chair), Carol Roberts, Steven M. Levy, Esq.	
Complainant:	Mehdi Naimi / Sexpositive Shop	
Complainant's representative:	Mehdi Naimi	
Registrant:	Sheila Abbott / Parksville Qualicum Sexessories	
Registrant's representative:	Sheila Abbott	

1. PROCEDURAL HISTORY

The Canadian International Dispute Resolution Centre ("CIIDRC") is a recognized service provider pursuant to the Domain Name Dispute Resolution Policy (v 1.3, August 22, 2011) (the "Policy") and the Canadian Dispute Resolution Rules (the "Rules") of the Canadian Internet Registration Authority ("CIRA"). On August 29, 2022, the Complainant filed a Complaint with the CIIDRC seeking an order in accordance with the Policy and the Rules directing that the registration of the disputed domain name <sexpositive.ca> (the "Domain Name") be transferred to the Complainant. The Complainant has elected for a Panel consisting of three members. The CIRA was notified of this proceeding on August 29, 2022 and, on August 30, 2022, the CIRA transmitted by email to the CIIDRC its verification response confirming the Registrant's identity. On August 29, 2022, the CIIDRC, as Service Provider, determined that the Complaint was not in administrative compliance with CIRA's requirements under Rule 3.2 and sent the Complainant a deficiency letter. On September 6, 2022 the Complaint was resubmitted and, on September 7, 2022, the CIIDRC determined the same to be in administrative compliance with the requirements of Paragraph 3.2 of the Rules.

Pursuant to Resolution Rule 4.4, the CIIDRC notified the Registrant of this administrative proceeding and forwarded a Notice with login information and a link to the Complaint to the

Registrant via email and by express post on September 7, 2022. The Registrant filed a response on September 26, 2022.

By letter dated October 19, 2022 the undersigned were appointed by the CIIDRC as the three-member Panel in this matter pursuant to Paragraph 6 of the Rules. The undersigned have each confirmed to the CIIDRC that they can act impartially and independently as a Panelist in this matter.

The Panel determines that it has been properly appointed and constituted to determine the Complaint in accordance with the Rules.

2. FACTS ALLEGED BY THE PARTIES

Complainant:

Complainant is the owner of a unique and progressive sex shop opened in October 2018 in Parksville, British Columbia which it operates under the SEXPOSITIVE trademark in which it has gained rights. Complainant's logo, signs, billboards, newsletter to over 1,300 customers and other promotional material have consistently referred to the shop as Sexpositive. The shop is licensed in the city of Parksville as "Sexpositive" and incorporated in the province of British Columbia. The shop is a centre for health and education, offering tools, workshops, and consultations on all aspects of sexuality in a shame-free environment. Complainant operates its website at the domain name <sexpositiveshop.ca> as the domain name <sexpositive.ca> was not available at the inception of Complainant's business.

Registrant is the owner of another sex shop in Parksville which has operated for 25 years. Complainant felt that there was a clear need for a new concept and a new offering both in Parksville and the rest of British Columbia. Since the beginning, there has been a strained relationship between the parties, including the Registrant's spreading of rumors about Complainant. As of June 2021, Complainant learned that Registrant acquired the domain name <sexpositive.ca> and used it to redirect visitors to its own website at the address <www.sexessories.ca> which matches its store name Sexessories.

Registrant:

Registrant has been operating in Parksville, British Columbia for 22 years. It has served almost 30,000 customers since 2015 and has a database of 3,500 customers who receive its email newsletter. It also has 6,200 followers on Facebook. It has been a member of the Parksville Chamber of Commerce since 2005 and is a member of the Parksville Downtown business association and the Craig Street Merchants Association. Respondent is a progressive, inclusive, and sexpositive business known and respected by many Canadian Wholesale distributors throughout Canada

Complainant is actually incorporated under the name "SEXPOSITIVE SHOP LTD" according to the BC Business Registry Services, and both this Registry and the Canadian Trademark Database

website reflects no business name, trademarks, or service marks for the term "Sexpositive" on its own and without the word "shop". Complainant is listed by the full phrase "Sexpositive Shop" on Google search, social media, its email address, and on its website.

Registrant says that she has never spread any rumors or taken any malicious actions against Complainant but that, quite the opposite, Complainant has made multiple malicious attempts to harm her business over the past four years, including reporting its window store display and sidewalk sign board as offensive, posting negative Google reviews, and making changes to Registrant's Google listing. In late 2016 and early 2017 Complainant's founder began visiting Registrant's store with a few unusual ideas and requests including offering mental health care and expressing a desire to cross-promote Registrant's business with his own sex therapist services (he did not produce any therapist credentials despite Registrant's request that he do so). At some point, Registrant expressed a preference that Complainant's founder no longer visit the store. However, he continued visiting when Registrant's owner was absent and spoke with a specific staff member. On April 27, 2018, Registrant received a letter of resignation from that staff member at which point they immediately began working for Complainant. It was also discovered that confidential store files in a desk drawer had been disturbed. Subsequently, Complainant reached out to many of Registrant's wholesale distributors, in preparation for opening its store, and also sought to carry a product that Registrant was selling exclusively in the area. When the Complainant opened its store, multiple customers approached Registrant to ask if it has opened a second location in town.

Registrant is planning to use the disputed domain name to direct users to a sexpositive blog, centered on sexuality and sexual health, which it is writing and hopes to launch in the coming weeks.

3. CONTENTIONS OF THE PARTIES

Complainant:

Complainant owns trademark rights in the term SEXPOSITIVE and Registration of the <sexpositive.ca> domain name is in violation of CIRA policy 3.3 in that the disputed domain name so nearly resembles the trademark as to likely be mistaken for Complainant's business.

Registrant has no legitimate interests in the disputed domain name under CIRA policy 3.4 as its business and website have no relationship to the domain name Registrant's use of the disputed domain name is an unfair business practice that benefits from Complainant's goodwill and reputation in violation of Complainant's business license and trademark rights.

Registrant has registered the disputed domain name in bad faith and in violation of CIRA policy 3.5. Its acquisition of the domain name occurred a few months into Complainant's spring 2021 digital billboard campaign on the main highway in Parksville and the domain name has simply been forwarded to the website of Registrant's own sex shop. Registrant is disrupting

Complainant's business and misrepresenting its own business to the public leading to the belief that the goods or services offered by Registrant are those of Complainant.

Registrant:

Based on its use of the name "Sexpositive Shop", Complainant has no trademark rights in the term "sexpositive" *per se*.

The term "Sexpositive" is simply a noun and is not a trademark owned by anyone. It is a social and philosophical movement that seeks to change cultural attitudes and norms around sexuality. Registrant acquired the <sexpositive.ca> domain name for legitimate business purposes and plans to create a blog that will discuss the sexpositive movement and all things sexual health related.

The disputed domain name was registered in good faith and to provide a blog with information and insights that may assist Registrant's customers and readers. Its reasons for acquiring the domain name are completely unrelated to Complainant's business.

4. DISCUSSION AND FINDINGS

Eligibility

The Complainant is an eligible complainant under paragraph 1.4 of the Policy. The Complaint relates to a trademark in which it claims common-law rights.

Requirements

In accordance with Paragraph 4.1 of the CDRP, the onus is on the Complainant to prove, on a balance of probabilities, that:

- a) 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; and
- b) the Registrant has registered the domain name in bad faith as described in paragraph 3.5;
- c) the Registrant has no legitimate interest in the domain name as described in paragraph 3.4.

The Panel will consider each of these requirements in turn.

Analysis

A Is the Domain Name confusingly similar to a Mark in which the Complainant has Rights per Policy 4.1(a)?

The definition of a "Mark" is set out in Paragraph 3.2 of the Policy. Most applicable to the present situation, sub-paragraph (a) thereof states that a "Mark" can be: "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". Paragraph 3.1(a) of the Policy requires that the Complainant has "Rights" in its Mark. Unfortunately, the term "Rights" is not defined in the Policy but the Canadian Trademarks Law has recognized that trademark rights may be developed through use in commerce (i.e., at common law) and without the benefit of a trademark registration. See Section 7 of the Trademarks Act (R.S.C., 1985, c. T-13), titled "Unfair Competition and Prohibited Signs".

The first question that arises, therefore, is whether the Complainant has a trademark or trade name on which it can rely in this proceeding. The Panel considers this to be a crucial element of the present case as Complainant does not claim ownership of a trademark that is registered with the Canadian Intellectual Property Office but, rather, relies on a claim of common law trademark rights acquired through use in commerce. The Complainant submits that it has such a trademark for SEXPOSITIVE and the Panel notes the submission of Complainant's business license which lists "SEXPOSITIVE" *per se* as its trade name.

In contrast, the Registrant submits that the Complainant's trade name is actually "Sexpositive Shop Ltd", as denoted in Complainant's Certificate of Incorporation, and that it does not have a trademark for SEXPOSITIVE, because the term "sexpositive" is simply a noun referring to a social and philosophical movement concerning healthy sexuality.

In support of its claim that it has an unregistered or common law trademark for SEXPOSITIVE, Complainant submits a range of evidence including its City of Parksville business license, screenshots of its <sexpositiveshop.ca> website, photos of its exterior store signs, a business card, and a screenshot promoting one of its workshops, all of which display the word "sexpositive" alone and in a stylized logo in which the letters all appear in lower-case except for the letter "t" which is slightly elevated and truncated to appear as a plus sign ("+"). This logo also appears on a submitted photo of Complainant's highway billboard although, in that instance, it is followed by the word "shop" in smaller letters. Complainant has also submitted screenshots of four customer reviews of its store on Google, one of which begins "When I walk into Sexpositive, I always explain that I want to spend more of my life within these walls covered in art, history, and pleasure." Also submitted are screenshots of Complainant's Facebook and Instagram pages which are titled "Sexpositive Shop" and "sexpositiveshop" respectively and its British Columbia Certificate of Incorporation lists it as "Sexpositive Shop Ltd."

The Panel has considered Registrant's claim that the word "sexpositive" is a merely descriptive term that is not capable of embodying trademark rights but has found it lacking, at least within the context of the circumstances of the present case. The Panel's view is that, subject always to the evidence in a given case, the expression SEXPOSITIVE is capable of acquiring trademark rights, meaning that it can serve to identify the brand or source of specific goods and services being referred to. This is so for the following reasons. First, the term is not generic, that is, it would not readily be seen as a concept of objects of a common nature or class. But, in contrast, it could be seen as an expression indicating that certain goods or services branded as SEXPOSITIVE come from a particular supplier or source. Second, Registrant has not submitted any evidence of the meaning of the term "sexpositive" or its use or understanding by third parties. Claims which are unsupported by evidence are viewed as having limited persuasive value.

Third, it is a well-accepted principle of trademark law that, over time and through focused efforts, certain descriptive terms can acquire distinctiveness, source-identifying secondary meaning, and thus trademark rights. (see *WIPO Panel Views on Selected UDRP Questions, Third Edition* ("WIPO Jurisprudential Overview 3.0"), par. 1.3). Of particular relevance to the present dispute, this authority states that "the fact that secondary meaning may only exist in a particular geographical area or market niche does not preclude the complainant from establishing trademark rights..." *Id.* Here, Complainant operates within a small city (population of just under 14,000 people) and has used its name and logo in a fairly consistent manner. The Panel takes particular note of the Google review in which a customer refers to Complainant as "Sexpositive" and, to a significant extent, discounts its use of the generic word "shop" in its Certificate of Incorporation, which is not used for marketing or promotion, and in its social media accounts, which may have been done by necessity due to the term "sexpositive" *per se* being unavailable as a username.

The overarching theme of Complainant's evidence is that it has taken deliberate steps to promote itself as "SEXPOSITIVE" as the brand of the goods and services it offers through its store and online. The Panel thus finds, by a preponderance of the available evidence, that the Complainant has succeeded in creating a measure of trademark rights in the expression SEXPOSITIVE, at least within the locale of the city of Parksville and the sphere of influence of its business in British Columbia. The Panel also finds that those rights have been established as of a time prior to the June 10, 2021 date on which the Registrant acquired the disputed domain name and that the Complainant continues to have such rights.

The next question to consider is whether the disputed domain name is confusingly similar to Complainant's SEXPOSITIVE trademark. Paragraph 3.3 of the Policy instructs that "the Panel shall only consider whether 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 a situation, such as the present, where the entirety of the second level of the disputed domain name is made up of the asserted trademark, Panels have found confusing similarity between the domain name and the relevant trademark. See, e.g., *Bolloré SE v. Diesel Pro, Diesel Pro Inc*, 18330-CDRP (CIIDRC Sep. 29, 2022) (domain name <bolloré.ca> found confusingly similar to the BOLLORÉ trademark).

As the .ca TLD is discounted as a technical necessity, the remainder of the <sexpositive.ca> domain name consists of Complainant's SEXPOSITIVE trademark.

For the reasons stated above, the Panel finds that Complainant has satisfied Policy 4.1(a). The Complainant has thus made out the first of the three elements that it must establish.

B Did the Registrant register the domain name in bad faith per Policy 4.1(b)?

Paragraph 4.1(b) of the Policy is satisfied when Complainant demonstrates, on a balance of probabilities, that the Registrant registered the domain name in bad faith. Inherently prerequisite to a finding of bad faith is some attribution of knowledge of a complainant's trademark, whether actual or based upon a conclusion that a registrant should have known of the mark. See, *Domain Name Arbitration*, 4.02-C (Gerald M. Levine, Legal Corner Press, 2nd ed. 2019) ("Knowledge and Targeting Are Prerequisites to Finding Bad Faith Registration"); *USA Video Interactive Corporation v. B.G. Enterprises*, D2000-1052 (WIPO Dec. 13, 2000) (claim denied where "Respondent registered and used the domain name without knowledge of Complainant for a bona fide commercial purpose."). See also WIPO Jurisprudential Overview 3.0, par. 3.1.1 (when examining whether "circumstances indicate that the respondent's intent in registering the disputed domain name was in fact to profit in some fashion from or otherwise exploit the complainant's trademark", Panels may consider such issues as "the respondent's likely knowledge of the complainant's rights"). Here, both parties acknowledge that they were in contact prior to the Registrant's acquisition of the disputed domain name and that Complainant's store was in operation for a few years prior to that time within the same city as that in which Registrant operates.

It is therefore reasonable to conclude that when the Registrant registered the domain name it knew that in the same town there was another business operating in the same field as itself that had taken the name SEXPOSITIVE, in substance the same name as the domain name the Registrant was registering.

Next, par. 3.5 of the Policy provides four frequently occurring examples of bad faith scenarios. Of these listed examples, Complainant relies in particular on those set out in pars. 3.5(c) and (d). These provisions state, respectively, that evidence of bad faith registration may be found where "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" or where "the Registrant has intentionally attempted to attract, for commercial gain, Internet users to the Registrant's website or other on-line location, by creating a likelihood of confusion with the Complainant's Mark as to the source, sponsorship, affiliation, or endorsement of the Registrant's website or location or of a product or service on the Registrant's website or location."

With regard to par. 3.5(c), it is evident that the parties are competitors within the typical meaning of that word. *Fitness International, LLC v. ALISTAIR SWODECK / VICTOR AND MURRAY, FA*

1623644 (FORUM July 9, 2015) (Competition found where “Respondent uses the at-issue domain name to operate a website that purports to offer health club related services such as fitness experts, fitness models, fitness venues, exercise programs, and personal training, all of which are the exact services offered by Complainant.) Both of the parties here operate stores, in the same city, which are focused on sexuality and the sale of relevant products and services, and they each use their own websites to promote their businesses – <sexessories.ca> for Registrant and <sexpositiveshop.ca> for Complainant. The issue then is whether Registrant acquired the <sexpositive.ca> domain name primarily for the purpose of disrupting the business of Complainant. Registrant uses the domain name to redirect users to its own website which competes with Complainant. Registrant claims that its “reasons for acquiring [the domain name] are completely unrelated to Complainant’s business” and that it acquired the domain name for its descriptive quality. Registrant goes on to assert that its business “operates under the ‘sexpositive’ movement”, and that it is “in the process of creating a blog” to which the domain name will direct users. Although Registrant has submitted no evidence on the meaning of this term, the Panel recognizes that “sexpositive” is possessed of a certain descriptive quality. However, the evidence that Registrant has presented in this case does not support its claim that it acquired the disputed domain name primarily as a descriptive of its business and the Panel does not accept that it did so. While the Registrant’s current website does make one mention of the term “Sex-Positive” towards the bottom of its home page and two instances of the term appear on its “About” page, there is no evidence that the term “sex positive” was used by Registrant prior to its acquisition of the disputed domain name. Further, and of heightened significance to the Panel is the page on Registrant’s website that states “Blog – Coming Soon” which makes no mention of the term combined with the fact that such blog has not been published after more than a year of Registrant’s ownership of the <sexpositive.ca> domain name. Furthermore, there is no evidence from the Wayback Machine that the Registrant made any use of the expression “sex positive” in its business prior to the registration of the domain name in June 2021.

Moreover, the circumstances under which Registrant acquired the disputed domain name tip the balance in favor of Complainant’s submission that it was done primarily for the purpose of disrupting its business as a new competitor to Registrant in a relatively small city. The majority of the Response and its annexed evidence is focused on proving Registrant’s status within the city and with its business community as well as its contentious relationship with the newcomer Sexpositive store. On this latter point, the Response highlights claims of unwelcomed visits to the Registrant’s store by Complainant’s founder, poaching of one of Registrant’s employees, seeking certain merchandise from Registrant’s distributors, and a list of “malicious actions” which Registrant suggests were taken by or on behalf of Complainant. All of this, combined with Registrant’s knowledge of Complainant’s store name over a few years in close proximity, creates the impression that Registrant’s claimed reasons for acquiring the domain name are likely a *post hoc* rationale and that its primary objective was to harm a competitor with which it has a grievance.

Complainant's claim under par. 3.5(d) is similarly based on the above-mentioned circumstances. *Shopify Inc. v. Vatsal Patel*, 17317-UDRP (CIIDRC May 4, 2022) (bad faith attraction for commercial gain based on a likelihood of confusion with Complainant's asserted mark where Respondent provided freelance web developer services that compete with services offered by Complainant). The Panel has concluded that Complainant owns trademark rights to the term SEXPOSITIVE within the scope of its store's operation and that Registrant's motives for acquiring the disputed domain name are likely not to have been well intended. The redirection of the domain name to Registrant's own website and the lack of evidence to support its stated purpose of hosting a blog suggest that it is using the <sexpositive.ca> domain name to attract users to its business based on likely confusion by those seeking Complainant's store – particularly within the region of Parksville. This leads the Panel to find it more likely than not that Registrant's activities run afoul of par. 3.5(d) of the Policy.

The Complainant has thus made out the second of the three elements that it must establish.

C. Does the Registrant have no Legitimate Interest in the Domain Name per Policy 4.1(c)?

Paragraph 4.1(c) of the Policy states that “[t]o succeed in the Proceeding, the Complainant must prove, on a balance of probabilities, that “the Registrant has no legitimate interest in the domain name as described in paragraph 3.4.”

Paragraph 3.4 provides seven examples of scenarios, any one of which, if supported by evidence, could lead to the conclusion that Registrant has a legitimate interest in the Domain Name. These are as follows:

- 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.

It is to be noted that, in Paragraphs 3.4(a), (b), (c), and (d), there is a requirement that the Registrant act "in good faith". As the Panel has above found that the Registrant most likely acted in bad faith, this puts Registrant on shaky footing with respect to these examples.

Registrant's store is operated under the name "Sexessories" and there is no claim, nor any evidence that it has rights in the term "sexpositive" as its own trademark. As such, par. 3.4(a) does not apply here.

As for 3.4(b), there is very limited evidence that Registrant uses the phrase "sexpositive" in relation to its business and the Panel cannot conclude that the term is "clearly descriptive" of the goods and services that Registrant offers. Adjectives such as "adventurous", "fun", "soft", and the like may be clearly descriptive of sexual wares and services but Registrant identifies "sexpositive" as a "social and philosophical movement". As a domain name promoting traffic to Registrant's own <sexessories.ca> commercial website, the Panel does not consider that it fits within the realm of "clearly descriptive". *Hyperdoc Inc. v. Dan Siroker*, FA 1972428 (FORUM Dec. 21, 2021) (Panel rejects Respondent's claim that <perfectrecall.com> is merely descriptive and insufficiently distinctive of Complainant's services of software for recording and transcription of online video conference events, editing recorded video event files and sharing edited versions of the video event files with others).

Next, there is no evidence that the term "sexpositive" is understood in Canada to be the generic name of any product or service under par. 3.4(c).

The evidence also does not support a conclusion that Registrant is using the disputed domain name in connection with non-commercial activity under par. 3.4(d). By redirecting traffic to its own commercial website and providing no evidence that its claimed blog is being drafted or is soon to be published, Registrant has not met the criteria of this example. *International Business Machines Corporation v. Atira Dzhakupaeva*, D2020-1225 (WIOP Aug. 17, 2020) ("the respondent must provide proof of preparations to use the domain name in connection with a good faith business offering, and that mere assertions of an inchoate plan are insufficient, especially if significant time has passed since the registration of the domain name with no effort to act on those plans.")

Finally, as for pars. 3.4(e) and (f), there is no claim nor evidence that the disputed domain name comprises the legal name of Registrant or that it is the geographical name of the location of Registrant's non-commercial activity or place of business.

As Complainant has made a *prima facie* case, which Registrant has not adequately rebutted, by a preponderance of evidence and in consideration of the facts that are very specific to this case, the Panel finds no ground upon which to conclude that Registrant has a legitimate interest in the disputed domain name.

The Panel therefore finds that the Registrant has no legitimate interest in the domain name.

The Panel concludes that Complainant has thus made out the third of the three elements that it must establish.

5 DECISION and ORDER

The Panel finds that the Complainant has satisfied its burden of proof with respect to all three elements of Paragraph 4.1 of the Policy. For the reasons stated above, and in accordance with Paragraph 4 of the Policy and Paragraph 12 of the Rules, the Panel orders that the domain name <sexpositive.ca> be transferred to the Complainant.

October 30, 2022

Panel:



The Honorable Neil Anthony Brown, KC (Chair).



Carol Roberts



Steven M. Levy, Esq.