

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

Domain Names: party-city.ca and partycitycanada.ca
Complainant: Party City Corporation
Registrant: Tiimports Ltd.
Registrar: Internic.ca Inc.
Panel: Sharon Groom (Chair), Tim Bourne, Alessandro Colonnier
Service Provider: Resolution Canada, Inc.

DECISION

A. The Parties

1. The Complainant, Party City Corporation is a corporation located in the United States.
2. The Registrant for the domain name is Tiimports Ltd. located in Ottawa, Canada.

B. The Domain Name and Registrar

3. The disputed domain names are party-city.ca and partycitycanada.ca. The Registrar for this domain name is Internic.ca Inc. The disputed domain names party-city.ca and partycitycanada.ca were registered on April 16, 2008 and April 26, 2013 respectively.

C. Procedural History

4. This is a proceeding under the Canadian Internet Registration Authority (“CIRA”) *Domain Name Dispute Resolution Policy* (Version 1.3) (the “Policy”) and the CIRA *Domain Name Dispute Resolution Rules* (Version 1.4) (the “Rules”).
5. The history of the proceeding as provided by the dispute resolution provider, Resolution Canada, Inc., is that the Complainant filed a complaint against the Registrant with Resolution Canada, Inc. requesting that the current registrations of the domain names party-city.ca and partycitycanada.ca be transferred to Party City Corporation. The Complaint was dated October 31, 2013.

6. Resolution Canada, Inc. served notice of the Complaint on the Registrant as required by paragraph 4.3 of the Rules. Service of the Complaint was made by e mail on November 4, 2013.

7. The Registrant was given twenty days to file a response and filed a response on November 20, 2013. On November 21, 2013 the Registrant was told that its response was deficient and the Registrant remedied the deficiency on November 26, 2013.

8. The Complainant has elected to proceed before a panel consisting of three panellists.

D. Panellist Impartiality and Independence

9. As required by paragraph 7 of the Rules, each panellist has submitted to Resolution Canada, Inc. a declaration of impartiality and independence in relation to this dispute.

E. Canadian Presence Requirements

10. The Complainant, Party City Corporation is a U.S. company. However it owns a Canadian trade-mark registration for the mark PARTY CITY, registration no. 451,736 which is included in the disputed domain names. As such it meets the Canadian Presence Requirements under paragraph 2(q) of the CIRA *Canadian Presence Requirements for Registrants*, Version 1.3.

F. Factual Background

11. The Complainant is a maker and seller of party supplies, including throughout the U.S. and Canada. It operates more than 800 company owned and franchise stores throughout the U.S., Canada and Puerto Rico. Its products include costumes, party favours, invitations, stationery, balloons and tableware. It also operates internet locations at partycity.com and partycity.ca. In its evidence it attaches pages from its partycity.ca website which show a Canadian flag, indicate that shipping to Canada is available and list 28 cities throughout Alberta, BC and Ontario where stores are located.

12. The disputed domain names party-city.ca and partycitycanada.ca were registered on April 16, 2008 and April 26, 2013 respectively. Both domain names are redirected to websites operated by the Registrant. The party-city.ca domain name redirects to partypaper.ca which appears to sell party supplies. The partycitycanada.ca domain name redirects to envelopes-envelopes.com which sells invitation envelopes and card stock.

13. These domain names first came to the attention of the Complainant as the Registrant, through its administrative contact, wrote to the Complainant on August 6, 2013 stating that it was the owner of the domain name partycitycanada.ca and that it had been operating in the party supply business since 1969. The Registrant asked the Complainant to contact her if the Complainant had a legal objection to the use of the domain name by the Registrant. The Complainant wrote back, through counsel, saying that they did indeed have an objection on the basis that it was confusing with their registered trade-mark and asking the Registrant to cease all use of the domain name. The Complainant also offered to reimburse the Registrant for the registration and transfer costs to assign the domain name to the Complainant. The Registrant wrote back to the Complainant on August 20, 2013 indicating that she was not aware of the trade-mark registration at the time of

purchasing the domain name, and that she had since taken steps to try and avoid confusion by directing the domain name to a site which did not sell products competing with those of the Complainant (the one selling stationery). The Registrant said it would consider the offer to purchase the domain name. On August 20, 2013 the Complainant responded arguing against the Registrant's claim that there would be no confusion and again offering to buy the domain name back. On September 26, 2013 the Complainant sent a reminder to the Registrant as no response to the last e mail had been received.

14. In the Registrant's response, the Registrant attaches as Exhibit BB a letter directed to the Complainant responding to their last e mail. However the letter is not addressed, there is no indication how it was sent, it is not signed, and the words "Sent Sept 26, 2013" are typed in on the bottom. Therefore it is not clear whether the Complainant ever actually received it. In this letter the administrative contact again states that she does not consider her use of the domain name to be likely to be confused with the Complainant's business, and offers to have a meeting with the Complainant to discuss a unique opportunity if they are interested in rapid growth and expansion across Canada.

15. The Registrant, in its response, indicates that Tiimports is a wholesaler of party supplies, envelopes and paper in Canada and the U.S.. Tiimports sells to retailers and institutions that serve the end customers, and does not sell to those customers itself.

16. In its response the Registrant states that it collects domain names that are product specific and themed/phrase related. The Registrant's administrative contact (who wrote the response) says that Tiimports owns approximately 200 of such domain names and also maintains country-coded brand connections and affiliations with some vendors. Some of the vendors provide wares to the Complainant as well as to the Registrant. She states that they use premium domains to improve AdWord ranking, links, as well as assisting their clients and vendors with business development. She indicates that the Registrant was aware of the Complainant's stores at the time they registered partycitycanada.ca, but did not know that there was a trade-mark registration. She said that the Registrant has registered many domain names that correspond to trade-mark registrations and thinks that commonly used generic expressions should be available to everyone.

17. The Registrant submits that the trade-mark PARTY CITY is generic through common use and because it describes the Complainant's products, and that they therefore should not be allowed to monopolize these words.

G. CIRA Domain Name Dispute Resolution Policy

18. Under paragraph 4.1 of the Policy it requires that the Complainant establish that:

a) the 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;

(b) the Registrant has registered the domain name in bad faith as described in section 3.5; and

(c) the Registrant has no legitimate interest in the domain name as described in section 3.4.

19. The Complainant must establish points (a) and (b) above on the balance of probabilities and for point (c) it must provide some evidence that the Registrant has no legitimate interest in the domain name.

H. Analysis

Confusingly Similar

20. The Complainant has to show that it has rights in a mark (and continues to have these rights) that is confusingly similar to the domain names and that these rights pre-date the date of registration of the disputed domain names.

21. The dates of registration of the domain names are April 16, 2008 and April 26, 2013, therefore these are the relevant dates for this analysis.

22. The Complainant registered its mark PARTY CITY in Canada in 1995 and has provided evidence demonstrating its use, as well as pages from its websites indicating that the mark is still in use in Canada. The mark PARTY CITY therefore satisfies the definition of a "mark" in subparagraph 3.2(a) of the Policy.

23. The Complainant has "rights" in this mark as it is the party that has used and registered it in Canada. These rights predate the date of registration of the disputed domain names as the mark was registered in 1995, which is prior to the relevant dates of 2008 and 2013.

24. The Complainant has thus established rights in the mark PARTY CITY since prior to the registration dates of either domain name, and has demonstrated that it continues to have these rights. The question then is whether this mark is confusingly similar to the domain names party-city.ca and partycitycanada.ca. The test for this is whether the domain names in question so nearly resemble the mark in appearance, sound or in the ideas suggested by them as to be likely to be mistaken for the mark.

25. In this case the domain names consists of the entire mark PARTY CITY with only the addition of non-distinctive matter such as a hyphen, or, in the case of partycitycanada.ca, the word CANADA. Therefore the panel finds that the domain names are likely to be mistaken for the Complainant's mark as they incorporate the whole of the Complainant's mark. Therefore the Complainant has established, on a balance of probabilities, the facts required to support the requirements of paragraph 4.1(a) of the Policy.

Legitimate Interest

26. Paragraph 3.4 provides six possible ways in which a Registrant may have a legitimate interest in a domain name, which shall be discussed below.

27. In this case the domain names are used to redirect customers to other websites maintained by the Registrant. The Registrant does not make use of the domain names as trade-marks and in fact argues that they should not qualify as marks since they are descriptive and generic. Therefore, we do not believe that such use shows that the domain names were marks, used in good faith by the Registrant and that the Registrant had rights in the marks. Therefore paragraph 3.4(a) is not satisfied.

28. Section 3.4(b) of the Policy states (in part) that there can be a legitimate use if the Registrant registered the domain names in good faith in association with any wares, services or business, and the domain names were clearly descriptive of the character or quality of the wares, services or business. The Registrant is using the domain names in association with a wholesale party supplies and stationery business. However, the panel cannot find that the domain names are clearly descriptive since they replicate the Complainant's registered trade-mark and if a mark is registered it means that it is registrable and therefore not clearly descriptive. It also means that the domain names cannot be considered generic, because a trade-mark registration, unless shown to be invalid, provide the owner with the exclusive right to use that mark throughout Canada in association with the wares or services. Therefore the Registrant's use is not legitimate according to subparagraphs 3.4(b) or (c).

29. The Registrant was not using the domain name in good faith in association with criticism, review or news reporting (paragraph 3.4(d)). Finally, the domain name is not the legal name or a name, surname or other reference by which the Registrant was commonly identified, nor is it the geographical name of the location of the Registrant's place of business (3.4(f)).

30. Therefore, none of the criteria in section 3.4 have been satisfied and the panel finds that the Complainant has provided some evidence that the Registrant has no legitimate interest in the domain name.

Bad Faith

31. The Complainant has to show, on the balance of probabilities, that the domain name was registered in bad faith. Paragraph 3.5 deals with the grounds which constitute bad faith and it must be noted that these are not exhaustive; it is open to the panel to find other grounds which lead to a conclusion of bad faith conduct.

32. The Complainant argued that the Registrant's conduct constituted bad faith under each of the sections 3.5(a) to 3.5(d).

33. Under section 3.5(a), bad faith will be presumed where the Registrant registered or acquired the domain name primarily for the purpose of selling the registration to the Complainant, or the Complainant's licensee or competitor, in excess of the Registrant's actual costs in registering the domain name or acquiring the registration.

34. The Complainant points out that the Registrant had a statement on its website www.tiimports.com which said, in part:

“The company also holds a Unique Collection (Intellectual Property) of Over 200 “Type-in” Adword Domains, specific to the paper and party industries. These domains are available for sale, business expansion, partnerships, hosting and networking within the industry.”

The party-city.ca and partycitycanada.ca domain names would have been part of this group. The domain names party-city.ca and partycitycanada.ca also were never used for active sites, but rather were used to point to one of the Registrant’s other websites. The Registrant claims not to have known about the Complainant at the time of registering the first domain name, party-city.ca, in 2008. However, as the Complainant points out, the Registrant states that it has been in the party supply business for 40 years, operating in Canada and the US, therefore it seems unlikely that the Registrant would be totally ignorant of the existence of Party City Corporation. The Registrant has admitted knowing about the Complainant at the time of registering partycitycanada.ca, but did not know about the trade-mark registration.

35. The fact that the Registrant specifically advertised that it had registered domain names in the paper and party industries which were for sale, and admitted to registering 200 such domain names, demonstrates a desire to sell these domain names for profit. With regard to the domain name partycitycanada.ca the Registrant has admitted that it knew of the Complainant’s existence at the time of registering the domain name, and the Registrant initiated contact with the Complainant to alert them to the Registrant’s ownership of the domain names. Therefore the panel finds that the domain name partycitycanada.ca was registered in bad faith as it was registered primarily for the purpose of selling, renting, licensing or otherwise transferring the Registration to the Complainant, and that the criteria set out in section 3.5(a) have therefore been met.

36. With regard to the domain name party-city.ca, which was registered in 2008, the Registrant has stated that it did not know of the Complainant at the time of registration. However, the Registrant had been in the party supplies business for almost 40 years at that point, the Complainant had a trade-mark registration in Canada for PARTY CITY that was allegedly used since 1995, and the Registrant presumably had registered the domain name “party-city.ca” because the more obvious version “partycity.ca” was already registered to the Complainant and had been since 2004. Therefore, when the panel considers all the evidence in front of it concerning this issue, it finds, on the balance of probabilities, that the Registrant must have known of the Complainant at the time of registering the domain name party-city.ca as well, and therefore this domain name too was registered primarily for the purpose of selling, renting, licensing or otherwise transferring the Registration to the Complainant. Therefore we find that, with regard to the domain name party-city.ca, on the balance of probabilities the criteria set out in section 3.5(a) have been met and the domain name was registered in bad faith.

37. Since we have found that, on the balance of probabilities, both domain names were registered in bad faith pursuant to section 3.5(a) of the Policy, we do not need to consider the other possible grounds of bad faith.

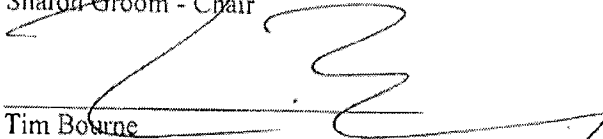
I. Conclusion and Decision

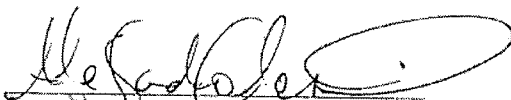
38. In conclusion, the panel finds that the Complainant does have rights in the mark PARTY CITY which predate the registration of the domain names. It also finds that the domain names are confusingly similar to the Complainant's mark and that the Registrant had no legitimate interest in the domain names. Finally, it finds that the Complainant has shown, on the balance of probabilities, that the Registrant registered the domain names in bad faith.

39. The panel therefore orders, pursuant to paragraph 4.3 of the Policy, that the registration of the domain names party-city.ca and partycitycanada.ca be transferred to the Complainant, Party City Corporation.

Dated December 17, 2013


Sharon Groom - Chair


Tim Bourne


Alessandro Colomier