



DOMAIN NAME DISPUTE APPEALS – *BLACK V. MOLSON CANADA*

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The July 2002 decision of the Ontario Superior Court of Justice in [Black v. Molson Canada](#) is the first Canadian court decision regarding an attempt to overturn an Internet domain name dispute arbitration award. The court held that the arbitrator erred in all respects, reversed the arbitration award, and concluded that the domain name registrant was entitled to own the domain name.

The Arbitration Decision

The dispute related to Black's registration of the <canadian.biz> domain name. Molson, relying upon its registered CANADIAN trademark, commenced proceedings pursuant to the [Start-Up Trademark Opposition Policy](#) ("STOP"), a modified version of the [Uniform Domain Name Dispute Resolution Policy](#) ("UDRP"), applicable to the <.biz> domain. STOP requires a complainant to establish: (i) the disputed domain name is identical to the complainant's trademark; (ii) the registrant has no rights or legitimate interests in the disputed domain name; and (iii) the registrant registered or is using the domain name in bad faith.

The STOP arbitrator, a former U.S. District Court Judge, found that Molson had satisfied all three substantive requirements of STOP and [ordered](#) the domain name transferred to Molson. Black then commenced proceedings in the Ontario court seeking a declaration that he is the rightful registrant of the domain name and that Molson has no rights to the domain name.

The Court Decision

The court framed its decision as if it were an appeal of the STOP arbitrator's award, and held that Molson had failed to establish the criteria required by STOP. The court reasoned as follows:

- (i) Simply because a domain name is identical or similar to a trademark should not result in the transfer of the domain name to the trademark owner. A domain name should not be transferred unless there is some evidence that the use of the domain name infringes the trademark. Since Molson's CANADIAN trademark is registered for use with beer only and does not give Molson the exclusive use of the word "Canadian", any person should be able to own the <canadian.biz> domain name. The public would not confuse the <canadian.biz> domain name with other domain names used by Molson.
- (ii) Black's assertion that he intended to use the domain name for a "profit-seeking venture", though unsupported by evidence of a business plan or any other demonstrable preparations to use the domain name in that manner, was sufficient to establish that Black has legitimate rights or interests in the domain name.
- (iii) Simply because Black was aware of Molson's CANADIAN trademark was not a sufficient basis for finding that Black registered the domain name in bad faith.



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The court concluded that there was no reason why Black should not be the owner of the <canadian.biz> domain name, and there was “no compelling reason” to transfer the domain name to Molson.

Commentary

The court failed to consider the nature and function of the STOP arbitration process and the role of the court in related judicial proceedings. The court conducted a new hearing on all issues without expressly considering whether the hearing should be a judicial review of the STOP arbitrator’s decision in accordance with the Ontario *Arbitration Act* and with appropriate deference to the arbitrator. The court also applied the STOP criteria without expressly considering whether it should instead apply conventional Canadian trademark law. (American courts have held that judicial challenges to domain name dispute arbitrations are to be resolved by applying conventional trademark law.)

Guidance regarding these issues is not provided by STOP, the UDRP or the recently implemented [Domain Name Dispute Resolution Policy](#) mandated by the Canadian Internet Registration Authority. These important issues will have to be resolved by Canadian courts in order to lay the foundation for a coherent body of Internet domain name dispute jurisprudence.

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