

## Panel Decision for dispute CAC-ADREU-006457

Case number **CAC-ADREU-006457**

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Domain names **sberbank.eu**

### Case administrator

**Lada Válková (Case admin)**

### Complainant

Organization **Sberbank of Russia ( )**

### Respondent

Name **Sylux Sylwester Domitrz**

INSERT INFORMATION ABOUT OTHER LEGAL PROCEEDINGS THE PANEL IS AWARE OF WHICH ARE PENDING OR DECIDED AND WHICH RELATE TO THE DISPUTED DOMAIN NAME

ADR proceedings number 05402 and 05544 involving the Respondent and similar circumstances.

#### FACTUAL BACKGROUND

The Complainant – Sberbank of Russia:

- is a bank based in Russia;
- operates the websites www.sberbank.ru, sberbank.ua, sberbank.am, sberbank.ch, sberbank.at and sberbank.co.uk;
- is the owner of several trademark registrations for the designation “SBERBANK”, which include the word-graphic trademark SBERBANK IR-1025684 registered on 22.12.2009 for financial services in class 36, and which has been accepted, among others, in Germany (the refusal period has expired and no notification of provisional refusal has been recorded in Germany).

The Co-Complainant - Sberbank Europe AG:

- is a bank based in Austria and has been a 100 % affiliate of the Complainant since November 2012;
- uses the designation SBERBANK in Europe for the business of financial services.

The Respondent – “Sylux” Sylwester Domitrz:

- registered the domain name sberbank.eu on July 22, 2010;
- offered transfer of the domain name sberbank.eu to the Complainant for payment,
- does not place any content on the website;
- has been involved in similar ADR proceedings, which include cases nos. 05402 and 05544 concerning registration of the domain names toyotabank.eu and axabank.eu.

#### A. COMPLAINANT

The Complainant claims that it:

- is the largest bank in Russia and the CIS (having almost one third of all Russian banking sector assets) and has the largest distribution network in Russia of almost 90,000 branches and subsidiaries in 20 countries, which include the CIS and central and eastern Europe (no evidence has been submitted to prove that);
- operates the websites www.sberbank.ru, sberbank.ua, sberbank.am, sberbank.ch, sberbank.at and sberbank.co.uk (no evidence has been submitted to prove that);
- is the owner of several trademark registrations for the designation “SBERBANK”, which include trademarks in Cyrillic, which are protected for financial services in class 36. The following has been submitted as evidence of that: printouts from the WIPO – Romarin database for trademarks IR-1025684, IR-1097227, IR-1025685, and printouts from the Swiss Patent Office (SPO) Internet database for trademarks registered by SPO under nos. 611083 and 611084;
- the Respondent registered the domain name sberbank.eu on July 22, 2010 and, therefore, after the Complainant acquired rights to the designation SBERBANK;
- required the Respondent to transfer the domain sberbank.eu to the Complainant. The Respondent offered the Complainant a commercial transaction to acquire the domains sberbank.eu and sberbank.pl by means of any of the three following choices, namely (1) venture capital (buy out)

of EUR 5,000.00 plus 23 % VAT for each domain, (2) rent of EUR 500.00 plus 23 % VAT per month for each domain, or (3) EUR 40,000.00 plus 23 % VAT for sale of each domain.

The Co-Complainant claims that it:

- is a 100 % affiliate of the Complainant and is situated in Vienna, Austria, and that the Complainant acquired it on November 2012. Press releases on the Co-Complainant's website concerning the acquisition have been submitted to evidence that;
- by using the designation SBERBANK in Europe for the business for financial services has acquired its own rights to the designation SBERBANK (no evidence of that has been submitted);
- satisfies the eligibility criteria in article 4 (2) (b) of Regulation (EC) No. 874/2004 because it is an undertaking that has a registered office in Austria and, therefore, within the EU.

The Complainant and Co-Complainant claim that:

- the domain name sberbank.eu and the trademark rights owned by the Complainant in respect of the SBERBANK are identical and come within the meaning in article 21 (1) of Regulation (EC) No. 874/2004;
- the Respondent does not have a right or legitimate interest in the domain name, has not since it was registered used it for goods or services, there is no content under the domain (as evidence there were submitted printouts of the 6 first websites displayed as the search results in the search engine BING for www.sberbank.eu, where the domain is not displayed), is not generally known under the domain name, and is not fairly, legitimately, or commercially, using the domain name or without intent to mislead consumers or harm the repute of the name for which a right has been recognized;
- the Respondent registered the domain sberbank.eu in bad faith and only for the purpose of selling the domain name. To evidence that correspondence between the parties has been submitted;
- for the above reasons, the sberbank.eu registration was speculative or an abuse, or both, within the meaning of article 21 of Regulation (EC) No. 874/2004.

Reference is made to other ADR proceedings that involve the Respondent and similar circumstances (nos. 05402 and 05544) in which the Panel found that the domains were registered without right, legitimate interest, or in bad faith.

Transfer of the domain name to the Co-Complainant was requested.

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#### B. RESPONDENT

The Respondent claims that the Complaint is to be rejected because:

- the Complainant is based in Russia and is not entitled to register an .eu domain;
- the Co-Complainant and Sberbank (Switzerland) AG could complain, but were formed after registration of the domain;
- neither the Complainant nor the Co-Complainant participated in the "Sunrise period", which means that they did not claim any right to the domain, and the "first-come, first-served" rule applies;
- the entities acting through the sberbank.ch, sberbank.at and sberbank.co.uk websites (although resident in the EU) are separate companies and the Complainant did not evidence when the domains were registered;
- the owner of the trademarks cited in the Complaint is expressed to be the Complainant. The Co-Complainant and Sberbank (Switzerland) AG are not owners of the trademarks;
- the Complainant trademarks are registered only for financial services in class 36 and so the designation SBERBANK can be used for other applications; lack of financial services offered through the domain name means there is no infringement of the trademark SBERBANK;
- SBERBANK trademarks are not protected in Poland; Poland was not designated for trademark registration IR-1025684, but for trademark IR-1097227 on 05.09.2011, however, protection has not been granted yet;
- the ruling in ADR Proceedings nos. 05402 and 05544 do not apply to this case because the Complainants in those cases were EU companies that were established before the domain was registered.

The Respondent has not denied that there is lack of content under the domain name and explains that he is not obliged to have content because, "I don't have anything to do with this domain, it's enough for me that I want to have it as I have such right". He also emphasized that he owns other domains and many of them have names of banks - those domains also do not have the content, or provide SEO links.

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#### DISCUSSION AND FINDINGS

In the Complaint, there is imputed to the Respondent speculative and abusive registration of the domain sberbank.eu.

Under art. 21 (1) of Commission Regulation (EC) No. 874/2004 (hereinafter "Regulation") a registered domain name is to be revoked, under an appropriate extra-judicial or judicial procedure, when that name is identical or confusingly similar to a name in respect of which a right has been recognized or established by national or Community law, such as the rights mentioned in article 10(1), and when it:

- (a) has been registered without there being a right or legitimate interest in the name, or
- (b) has been registered, or is being used, in bad faith.

Under ADR procedure, if there is an allegation of speculative and abusive registration, a complainant has to demonstrate that it has a right to the name under national or Community law, the domain in dispute is identical or confusingly similar, and that the respondent lacks a right to and a

legitimate interest in the disputed domain, or acts in bad faith.

#### Procedural issues

#### Standing of non-EU-entities in the proceedings / Co-complainant / possible remedies

However, prior to an assessment of the merits, the procedural issue raised by the Respondent needs to be considered. The Respondent claims that the Complaint is to be rejected "...due to formal mistakes" because, among others, the Complainant is based in Russia and is not entitled to register an .eu domain.

The question arises whether non-EU-entities have standing in ADR .eu proceedings.

Under art 22 (1) of the Regulation and paragraph B 1 (a) of the ADR Rules, any person or entity can commence ADR proceedings; therefore, non-EU-entities have standing in ADR .eu proceedings. There is, however, a consensus among panels that those entities cannot request transfer of a domain name, but only revocation of it (see relevant decisions in cases CAC 2300, CAC 5325, CAC 5332, CAC 5405).

Panels have usually accepted joint complaints by non-EU rights holders and EU subsidiaries, or other entities related to them. If a transfer was requested to an EU entity it was usually granted (see relevant decisions in cases CAC 4588, CAC 4955).

Under art. 22 (11) of the Regulation, in a claim against a domain name holder, the ADR Panel is to decide that the domain name is to be revoked, if it finds that the registration is speculative or abusive, as defined in article 21. The domain name would then be transferred to the complainant if the complainant applies for the domain name and satisfies the general eligibility criteria listed in article 4(2)(b) of Regulation (EC) No 733/2002.

Article 4(2)(b) of Regulation (EC) No 733/2002 provides that the registry is to register domain names in the .eu TLD through any accredited.eu registrar that is requested by either (i) an undertaking having a registered office, central administration, or principal place of business within the Community, or (ii) an organization established within the Community without prejudice to the application of national law, or (iii) a natural person resident / domiciled within the Community.

Therefore, the Panel can only reach the conclusion that the Complaint filed by both Complainant and the Co-Complainant is valid, but:

- the Complainant (a non-EU entity) can only demand revocation of the domain name;
- transfer of the domain would only be possible to the Co-Complainant (an Austrian affiliated company of the Complainant).

It may be trite to say, but a complaint can only succeed if the complainant has a right and an interest in the subject of the complaint. In this matter, to be able to order transfer of the domain, it would have to be found that the Co-Complainant has own prior rights recognized or established by national or Community law. Otherwise, if a right and interest only lies with the Complainant, it would only be possible to revoke the domain.

#### Sunrise period inactivity

The Respondent also claimed that the Complaint is to be rejected because neither the Complainant nor the Co-Complainant participated in the "Sunrise period".

Panels are in consensus that even if the complainant did not try to register a domain name during the Sunrise period he can initiate the ADR procedure, under art. 21 (1) of the Regulation without limitation. There is no obligation on rights holders to register domain names in a Sunrise period.

Therefore, the Panel can only reach the conclusion that the lack of complainant action during the Sunrise period is irrelevant and does not deprive a complainant of being able to act to protect the IP rights that it has.

#### Standard of proof / burden of proof

Before further elaboration is provided on the merits of the matter, it also has to be stated that under paragraph B 7 (a) of the .eu Alternative Dispute Resolution Rules (hereinafter "ADR Rules") a Panel is to conduct ADR evidentiary proceedings in such manner as it considers to be appropriate, but in accordance with the Procedural Rules. A Panel has a discretion, but not an obligation, to conduct an own investigation of the facts.

Paragraph B 1 (b), of ADR Rules provides that a complaint is to annex any documentary or other evidence, which includes evidence of the right upon which a complaint relies.

The standard of proof in the opinion of the majority of panelists, with which this Panel concurs, is that an assertion is to be proven on the balance of probabilities (more likely to be true than to be false).

Finally, as to the burden of proof regarding the lack of a legitimate rights or interest and bad faith, the majority opinion of the Panel, with which this Panel concurs, is that the complainant only needs to establish a prima facie lack of a legitimate right or interest. Then, the onus probanti would shift

to the respondent to rebut the prima facie finding. It is similar for bad faith; the complainant only has to establish a prima facie case; it would be for the Respondent to rebut the finding.

## Merits

### Prior rights

The first requirement under art. 21 (1) of the Regulation is to determine whether the name of the domain is identical or confusingly similar to a name in respect of which a Complainant or Co-complainant has a right recognized or established by national or Community law, such as the rights mentioned in article 10 (1). Article 10 (1) of the Regulation indicates prior rights recognized or established by national or Community law include registered national and community trademarks, geographical indications or designations of origin, and, in as far as they are protected under national law in the Member-State where they are held unregistered trademarks, trade names, business identifiers, company names, family names, and distinctive titles of protected literary and artistic works.

The Complainant led evidence that it owns several trademark registrations for the designation SBERBANK, which includes the word-graphic trademark SBERBANK IR-1025684, registered on 22.12.2009 and which has been recognized in Germany before the date of filling the Complaint. The Complaint indicates that on the date of filling the Complaint the refusal period had expired and no notification of provisional refusal was recorded. Therefore, the Complainant has evidenced international trademark registration of SBERBANK, which was protected under the national law of a Member-State on the date of registering the domain and filling the complaint. The domain name in dispute is obviously confusingly similar to the Complainant's registered trademark within the meaning of the art 21 (1) of the Regulation. The remaining trademarks provided by the Complainant have later priority or have been registered outside of the EU and have not been taken into consideration.

The Co-complainant claims that by using SBERBANK in Europe for the business of financial services it acquired its own right to the designation SBERBANK.

However, the types of right that the Co-complainant acquired has not been clarified (unregistered trademark, trade name, business identifier, company name) and it has not been evidenced that that right is protected under the national law in the Member-State in which the right applies.

Also, there is a lack of persuasive evidence that the Co-complainant has used SBERBANK. The fact alone of acquisition of the company is not sufficient evidence of use. Even the website sberbank.at (national Austrian domain) is claimed to be operated by the Complainant and check in the whois database shows that it is registered to the Saving Bank of the Russian Federation JSC.

The Panel finds that the Co-complainant has not evidenced (under the rules of standard of proof / burden of proof described above) that it in itself has a right to file a complaint.

Also, the fact that the Co-Complainant was acquired by the Complainant and changed company name only in November 12, 2012 would require further consideration for the issue of priority.

### Lack of rights or legitimate interest / bad faith

The trademark rights of the Complainant, however, allow further consideration of whether the domain:

- (a) has been registered without there being a rights to, or legitimate interest, in the name, or
- (b) has been registered, or is being used, in bad faith.

The facts of this matter show at least one of the two applies: the lack of a legitimate interest in the domain name.

The Respondent registered the domain name without having a right to the trademark/designation or to the name SBERBANK. The documents provided show that the Respondent has offered to sell, or rent, the domain name. A check of the website under the domain shows that the Respondent is not using the domain and there was no evidence to suggest that he is preparing to use it. That also seems to be confirmed by the Respondent's statements; he did not deny lack of content under the domain name and explained that he was not obliged to display content.

The Panel can only reach the conclusion that there is no evidence that the Respondent: used the website to offer goods or services, has been commonly known by the domain name, or was using it legitimately, non-commercially, and fairly within the meaning of art. 21 (2) (c) of the Regulation.

Therefore, the lack of a right or legitimate interest in the domain name is proven.

Even though a finding of a lack of a legitimate interest means bad faith does not need to be proven, it seems that facts would warrant a finding that the Respondent acted in bad faith when registering the domain.

There are ample facts to lead to the conclusion that the primary reason for registering the domain registration was sale, rental, or transfer of it to another, see:

- the offer to sell, or to rent, the domain to the Complainant;
- the domain was not used after it was registered;
- the Respondent seems to act in the business of registering domain names and offering them for sale or rental – the Respondent was a party to other two ADR proceedings in which panelists awarded transfer of domain names registered by the Respondent to other trademark owners - financial institutions.

The domain name sberbank.eu is confusingly similar to the Complainant's registered trademark and registration of the domain was an abuse and speculative. However, the Panel does not find that the Complainant is entitled to request transfer of the domain name in dispute. The Complainant is a Russian company. It, therefore, does not satisfy the general criteria under paragraph 4(2)(b) of Regulation (EC) No 733/2002 or article 22.11 of the Regulation. The fact that the Complainant has an affiliated entity in Austria, the Co-complainant, which is a separate legal entity, does mean that the Complainant has met the condition on having an origin in the EU. But, at the same time, the Co-complainant is not able to apply for the transfer as it did not evidence any right that would allow for that.

For all the reasons aforesaid the Panel orders that the domain name sberbank.eu be revoked.

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#### DECISION

For all the foregoing reasons, in accordance with Paragraphs B12 (b) and (c) of the Rules, the Panel orders that the domain name sberbank.eu be revoked.

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### PANELISTS

Name	<b>Włodzimierz Szoszuł</b>
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DATE OF PANEL DECISION 2014-01-20

### Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

- I. Disputed domain name: sberbank.eu
- II. Country of the Complainant: Russia and Co-Complainant: Austria, country of the Respondent: Poland
- III. Date of registration of the domain name: 22 July 2010
- IV. Rights relied on by the Complainant (Art. 21 (1) Regulation (EC) No 874/2004) on which the Panel based its decision:
  1. SBERBANK word-graphic International trademark registration recognized in Germany, reg. No. IR-1025684 registered on 22 December 2009 in respect of goods and services in class 36
- V. Response submitted: Yes
- VI. Domain name is confusingly similar to the protected right of the Complainant
- VII. Rights or legitimate interests of the Respondent (Art. 21 (2) Regulation (EC) No 874/2004):
  1. No
- VIII. Bad faith of the Respondent (Art. 21 (3) Regulation (EC) No 874/2004):
  1. Yes
  2. Why: primary reason for registering the domain registration was sale, rental, or transfer of it to another
- IX. Other substantial facts the Panel considers relevant: -
- X. Dispute Result: Revocation of the disputed domain name
- XI. Procedural factors the Panel considers relevant: -
- XII. If transfer to Complainant Is Complainant eligible? No