Panel Decision for dispute CAC-ADREU-006506

Case number	CAC-ADREU-006506
Time of filing	2013-08-22 16:50:11
Domain names	kgbdeals.eu

Case administrator

Lada Válková (Case admin)

Complainant

Organization	Grape Technology Group, Inc. and kgbdeals (UK) Limited

Respondent

Organization	Domain Directors Europe Ltd

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

1. The Panel is not aware of any pending or decided proceedings related to the Disputed Domain Name.

FACTUAL BACKGROUND

2. The Complainants are part of a US group which is an independent provider of directory assistance and enhanced information services, including the well known 118 services. The First Complainant is a US entity which owns certain registered marks but conducts business in the European Union through a number of affiliates and subsidiaries, including kgb (UK) Ltd, the Second Complainant, which I assume has a licence from the First Complainant. The Complainants say they launched a text answer service in 2009, at 542542 (kgbkgb) and in 2010, extended the brand online with the launch of kgbanswers.com, a site where users can search the kgb database of questions and answers, or ask their own question directly to a kgb 'Special Agent.' In 2010, the Complainants launched kgbdeals.com, a deal and discount site. The Complainant registered community trade marks for the word marks KGB, in 2008, and KGB Deals, in 2010 (relying on priority from earlier US registrations). The kgbdeals.com domain name was registered in 2008 and the kgbdeals.co.uk in 2010. Accounts for kgb(UK) Ltd to 31 December 2011 show almost GBP£ Five and Half Million Pounds in turnover with very significant expenditure on advertising, approximately GBP£ Eight Million Pounds.

3. This is a no response case and so there is little evidence on or information about the Respondent except that its name, Domain Directors Europe Limited, indicates it is in the business of domain names in some way. The Respondent registered the Disputed Domain Name on 18 December 2012. The Disputed Domain Name was used for a parking page with links about cars and credit as of 31 May 2013. That page stated that the website at the Disputed Domain Name was for sale and Sedo also listed the Disputed Domain Name for sale at that date, based on evidence submitted. The panel accessed the Disputed Domain Name on 18 August 2013, when it resolved to a parking page with www.onlydomains.com showing links and advertisements about domain names.

Note: The Second Complainant is an “organization established within the Community” within the meaning of Paragraph 4(2)(b)(ii) of Regulation (EC) No 733/2002; this is relevant as while according to Art 22(1) of Commission Regulation (EC) No 874/2004 of 28 April 2004 ("the Policy Regulation") and B1(a) of the ADR Rules--while any person can start an ADR proceeding and non EU entities have standing --only EU entities can request the remedy of transfer.

A. COMPLAINANT

4. The Complainants contend they have Rights in the name and mark KGB Deals, to which they say the Disputed Domain Name is identical. They contend the Respondent lacks legitimate rights or interests in the Disputed Domain Name, which they say was registered and is used in bad faith.

Rights

5. The First Complainant claims Rights as the owner of registered trademarks including:

5.1. KGB DEALS, (word) Community Trade Mark (CTM) No. 009044298 in classes 16, 35 and 36;
5.2. KGB, (word) CTM No. 006529259 in classes 35, 38 and 42;
5.3. KGB (fig.), CTM No. 008799868 in classes 35, 38 and 42;
5.4. KGB KGB (fig.), CTM No. 008799736 in classes 35, 38 and 42;
5.5. KGB ANSWERS (word), CTM No. 009044108 in classes 9, 35 and 42;
5.6. KGB MASTERS, (word) CTM No. 009044066 in classes 9, 41 and 42 (together the Marks);

6. The second Complainant claims Rights arising from its use of the Marks (under licence) and both Complainants claim goodwill and reputation arising from such use including use of domain names, including kgbdeals.com and kgbdeals.co.uk.

7. The Complainants submit the Disputed Domain Name is identical to the Marks.

8. The Complainants submit the Respondent has no legitimate rights or interest in the Disputed Domain Name as it is not descriptive as used, and there is no genuine offering other than for the sale of the Disputed Domain Name itself despite the period of time that has lapsed since registration, citing Pirelli & C. S.p.A. v. Tabriz, FA 921798 (Nat. Arb. Forum Apr. 12, 2007). The Complainants submit the Respondent is not affiliated or connected to the Complainant. They say the Respondent registered the Domain Name more than three years after the Complainant began using its KGB DEALS mark and five years since the Complainant began using the mark KGB, citing Charles Jourdan Holding AG v. AAIM, D2000-0403 (WIPO June 27, 2000).

9. As to bad faith the Complainants say:

9.1. the Respondent registered the Disputed Domain Name in order to confuse and divert traffic from the Complainants' business;

9.2. they sent a cease and desist letter to the Respondent on 13 May 2013 and thereafter the Respondent had actual knowledge of the Complainants' Rights and the Marks;

9.3. the Respondent offered the Disputed Domain Name for sale online and also offered it direct to the Complainants by various emails in May 2013, for in excess of the cost of registration --evidencing that it registered the Domain Name primarily “for the purposes of selling, renting or otherwise transferring the domain name to the holder of the name..." contrary to ADR Rule B(11)(f)(1);

9.4. the Respondent is not using the Domain Name for a legitimate, bona fide purpose, and thereby has registered the Domain Name in bad faith which blocks the Complainants and threatens the Complainants with use in a confusingly similar manner by third parties;

9.5. the Respondent is passing itself off as the Complainants or connected to them, citing Disney Enterprises, Inc. v. JalapenoWare LLC, FA 1302464 (Nat. Arb. Forum February 22, 2010);

9.6. the Respondent is using the Disputed Domain Name to direct consumers to a number of pay-per-click links to third party offers of goods and services (such as car sales and loan services) while using the Marks and so it is being “intentionally used to attract Internet users, for commercial gain.

B. RESPONDENT

10. The Respondent failed to submit a Response by the due date of 25 July 2013, or at all, however the record shows that the Respondent accessed the online platform on 13 June 2013, and we are satisfied that the Respondent was duly served and has notice of these proceedings.

11. Despite the fact the Respondent has not come forward, this does not mean an automatic decision in favour of the Complainants, as there are no 'default judgments' in such cases and Art 21(1) of the Policy Regulation requires that the Complainants must still discharge their burden of proof.

DISCUSSION AND FINDINGS

12. Article 22(1)(a) of the Policy Regulation allows a party to initiate an ADR procedure where a registration is speculative or abusive, as defined in Art. 21. This allows for revocation or transfer where the name is identical or confusingly similar to a name in respect of which

a right is recognized or established by national or Community law and where registered without rights or legitimate interest and registered or used in bad faith. The Policy Regulation Art. 21(2) provides examples of how legitimate interest may be demonstrated, and Art. 21(3) provides examples of bad faith and this is reflected in §11 of the ADR Rules.

Rights
13. The Complainants have rights in the Marks and unregistered rights arising from use of the name and Marks in trade. I find that the Complainants have the requisite rights ("Rights"). I find the Disputed Domain Name is identical to the name and Marks in which the Complainants have Rights.

Legitimate rights and interests

14. Turning now to legitimate interests, The Policy Regulation Art. 21(2) provides:

"2. A legitimate interest within the meaning of point (a) of paragraph 1 may be demonstrated where:

(a) prior to any notice of an alternative dispute resolution (ADR) procedure, the holder of a domain name has used the domain name or a name corresponding to the domain name in connection with the offering of goods or services or has made demonstrable preparation to do so;

(b) the holder of a domain name, being an undertaking, organisation or natural person, has been commonly known by the domain name, even in the absence of a right recognised or established by national and/or Community law;

(c) the holder of a domain name is making a legitimate and non-commercial or fair use of the domain name, without intent to mislead consumers or harm the reputation of a name on which a right is recognised or established by national and/or Community law."

15. The Respondent has not come forward with an answer but we must still consider whether, prima facie, any of the above grounds apply. Many panels consider parking pages and pay per click uses do not give rise to legitimate rights and interests per se, however a case by case approach can also be taken. Prima facie, grounds (a) and(b) do not apply here.

16. As to ground (c) and fair and legitimate use, while part of the Disputed Domain Name does have a common everyday meaning referring to the former USSR Komitet gosudarstvennoy bezopasnosti (translated as Committee for State Security), the main security agency for the Soviet Union from 1954 until 1991; the Respondent's use has no connection with that meaning and the addition of the word 'deals' to the common meaning is distinctive of the Complainants' services. The Complainants appear to have selected the name in part as an easy way to recall the number for the original text answer service, which was '542542' (kgbkgb being the related numbers on a phone keypad)-- although it also seems to make a playful reference to the historical common meaning by naming its customer service employees, 'Special Agents.' There is a paucity of evidence on the point. In any event, the term KGB when used in a commercial as opposed to editorial or nominative context and when used with the word deals, is protected by the Marks and refers to the Complainants' services. I also refer to the comments below as to constructive and actual knowledge. I do not find the Respondent is making any legitimate non-commercial or fair use and note that its use is definitely commercial.

Bad Faith

17. The Policy Regulation Art. 21(3) provides; "Bad faith, within the meaning of point (b) of paragraph 1 may be demonstrated, where:

(a) circumstances indicate that the domain name was registered or acquired primarily for the purpose of selling, renting, or otherwise transferring the domain name to the holder of a name in respect of which a right is recognised or established by national and/or Community law or to a public body; or

(b) the domain name has been registered in order to prevent the holder of such a name in respect of which a right is recognised or established by national and/or Community law, or a public body, from reflecting this name in a corresponding domain name, provided that:

(i) a pattern of such conduct by the registrant can be demonstrated; or

(ii) the domain name has not been used in a relevant way for at least two years from the date of registration; or

(iii) in circumstances where, at the time the ADR procedure was initiated, the holder of a domain name in respect of which a right is recognised or established by national and/or Community law or the holder of a domain name of a public body has declared his/its intention to use the domain name in a relevant way but fails to do so within six months of the day on which the ADR procedure was initiated;

(c) the domain name was registered primarily for the purpose of disrupting the professional activities of a competitor; or

(d) the domain name was intentionally used to attract Internet users, for commercial gain, to the holder of a domain name website or other on-line location, by creating a likelihood of confusion with a name on which a right is recognised or established by national and/or Community law or a name of a public body, such likelihood arising as to the source, sponsorship, affiliation or endorsement of the website or location or of a product or service on the website or location of the holder of a domain name; or

(e) the domain name registered is a personal name for which no demonstrable link exists between the domain name holder and the domain name registered."

18. The Complainants rely on grounds (a) and (d) respectively, as these are restated in the ADR Rules at B(11)(f)(1)-(4) and, as the above are not exhaustive, the other matters set out in the Complainants' contentions above.

19. In my view this case turns on knowledge at the point of registration of the Disputed Domain Name. Where a Complainant has a reputation online and does business online and search results immediately reveals pole position natural and sponsored links to him, 'willful blindness' can constitute bad faith. Here, the Respondent, which is in a business related to domains and therefore an expert and not an ordinary member of the public; registered the Disputed Domain Name some two years after the Complainant launched its kgbdeals.com site and after they had expended very large sums indeed on online advertising. Before paying registration fees, the Respondent must have entered the relevant domain name into a search engine and become aware of the Complainants' Rights. I cannot believe that the Respondent was unaware of the Complainants at the point of registration. On the contrary, I find the Respondent selected the Disputed Domain Name in order to take advantage of the Complainants' Rights. If the position was otherwise, we could have expected the Respondent to come forward with an explanation. Further, as the Complainants argue, the Respondent certainly had actual and express notice from the date of the cease and desist letter of 13 May 2013 and its reaction to that was to offer the Disputed Domain Name for sale at a price far in excess of cost. I also find the offer of sale on the Respondent's site was intended to expedite an offer from the Complainants to acquire the Disputed Domain Name from the Respondent at an inflated value. I find therefore that the Disputed Domain was registered in bad faith for a primary purpose of sale to the Complainants and to divert traffic for revenue. This is a straight forward case of blatant cyber-squatting and I do not think it necessary to go on to deal with the other grounds in detail.

DECISION

For all the foregoing reasons, in accordance with Paragraphs B12 (b) and (c) of the Rules, the Panel orders that, for the reasons above, the Complaint is accepted and the Disputed Domain Name is to be transferred to kgb (UK) Ltd, the Second Complainant.

PANELISTS

Name	Ms. Victoria McEvedy

DATE OF PANEL DECISION 2013-08-18

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

I. Disputed Domain Name: KGBDEALS.eu

II. Country of the Complainants: US and UK, country of the Respondent: UK

III. Date of registration of the Disputed Domain Name: 18 December 2012

IV. Rights relied on by the Complainants (Art. 21 (1) Regulation (EC) No 874/2004) on which the Panel based its decision are word and figurative trademarks registered in the EU as CTMs in respect of goods and services in various classes between 2008 and 2010 based on earlier US priority.

V. Response submitted: No

VI. Disputed Domain name is identical to the protected Rights of the Complainants

VII. Rights or legitimate interests of the Respondent (Art. 21 (2) Regulation (EC) No 874/2004):
1. No
2. Why: No relevant use.

VIII. Bad faith of the Respondent (Art. 21 (3) Regulation (EC) No 874/2004):
1. Yes
2. Why: Knowledge of Complainants' Rights at registration or on notice.

IX. Other substantial facts the Panel considers relevant: Nil

X. Dispute Result: Transfer of the Disputed Domain Name

XI. Procedural factors the Panel considers relevant: Nil

XII. [If transfer to Complainant] Is Second Complainant eligible? Yes