Panel Decision for dispute CAC-ADREU-006813

Case number	CAC-ADREU-006813
Time of filing	2014-12-18 18:59:04
Domain names	divxstage.eu

Case administrator

Lada Válková (Case admin)

Complainant

Organization	DivX, LLC, San Diego Calif., US

Respondent

Name	Jan Schwarz

FACTUAL BACKGROUND

The Complainant (formerly known as DivXNetworks, Inc. and DivX, Inc.) is a company headquartered in San Diego, California, with offices across Europe and Asia.

The Complainant has a number of European subsidiaries including MainConcept GmbH, based in Elisabethstraße 1, 52062 Aachen, Germany, which is joining the complaint as Co-Complainant.

MainConcept GmbH is a wholly owned subsidiary of the Complainant and has been fully authorized to use the DivX® trademark and to license the Complainant's DivX® products within Europe.

The Complainant owns a comprehensive portfolio of trademarks for its DIVX® branded products and licensing services, including, but not limited to, the following trademark registrations (hereinafter referred to as "Trademarks"):
Community Trademark, 2252385, word: DIVX registered on April 7, 2004 for goods and services in classes 9, 35 and 42;
Community Trademark 3924149, a figurative mark with a DIVX device, registered on July 8, 2004 for goods and services in classes 9, 35, 38 and 42;
US Trademark 76188096, word: DIVX registered on September 21, 2005 for on-line downloadable computer software for broadband video transfer and licensing of computer software.
Community Trademark 5382478, word: STAGE6 registered on May 22, 2008 for goods and services in classes 9, 35, 38, 41 and 42.

The disputed domain name <divxstage.eu> was registered on April 8, 2011.

The Complainant requests that the disputed domain name be transferred to its said wholly owned subsidiary and co-Complainant MainConcept GmbH.

A. COMPLAINANT

Complainants Rights

The Complainant relies on the above-listed registered trademarks and submits that it has for over 15 years, it has created, distributed, and licensed digital video technologies that span the PC, living room, and mobile environments and to date it has shipped over one billion DivX® playback and recording devices, including Blu-ray players, digital TVs, gaming consoles, mobile phones, and tablets, and the DivX® Player has been downloaded over one billion times.

The Complainant states that its key products are various video codecs developed and distributed under the brand name DivX®. A video codec is software that enables compression or decompression of digital video that are used in DVD systems and all digital devices and software products with video recording or playing capacity, including movie players. The DivX® codec is protected by numerous patents owned by the Complainant. The Complainant also licenses its technologies to manufacturers of consumer electronics devices and certifies that these devices are able to properly handle DivX® encoded videos. The Complainant has attached print-outs from its website at the <divx.com> address as an annex to the Complaint to illustrate this submission.

Identical and Confusingly Similar
The Complainant submits that the disputed domain name <divxstage.eu> is confusingly similar with the Complainant's DIVX® and STAGE6® trademarks, arguing that it is well-established that the TLD extension of a domain name, such as .eu, does not affect the domain name for the purpose of determining whether it is identical or confusingly similar pursuant to Article 21 (1) of Regulation 874/2004 (see case No. 00283- lastminute.eu; case No. 04218- olympiakos.eu). Furthermore, past panels agreed on the view that domain names including a trademark combined with a mere descriptive term are confusingly similar to that trademark (see case no. 04645- airfranceonline.eu; case no. 05126- averygraphics.eu; case no. 05376- monsterfinance.eu).

The Complainant submits that the disputed domain name <divxstage.eu> consists of the Complainant's well-known trademark DIVX® and the dominant portion of another of Complainant's trademarks, STAGE6®. The words "divx stage" cannot be regarded as one coherent term, but instead consists of the two separate terms "divx" and "stage", each of which is a reference to Complainant's trademarks. The term "stage" is likely a reference to Complainants' "STAGE6" video products, and "divx" can be nothing other than a reference to Complainant's well-known and respected DIVX® trademark. If not being considered a reference to the Complainant's trademark STAGE6®, the term "stage" merely describes the kind of services offered on the Respondent's website as a stage/platform for media files. Therefore, users confronted with the domain name <divxstage.eu> will most likely relate the Respondent's service to the Complainant.

Rights or Legitimate Interest
The Complainant submits that the Respondent has no rights or legitimate interests in the disputed domain name, arguing that the Respondent has not been authorized, licensed, or permitted to register or use the Complainant's trademarks as a domain name nor in any other way.

The Complainant refers to the results of a Whois-database search for the disputed domain name which discloses that the Respondent' onsite information refers to a company based in Victoria, Seychelles. The Complainant submits that the mere fact that the Respondent registered a company named DivxStage + Ltd. in the Seychelles cannot generate rights or legitimate interests in the disputed domain name within the meaning of Art. 21 (2) of Regulation 874/2004. Past panels held that even a Respondent's trademark corresponding to a disputed domain name does not generate rights or legitimate interest if the trademark itself clearly adheres to a well-known brand name (see case no. 05633- majolka.eu).

Furthermore, the Complainant alleges that the specified DivxStage + Ltd company address at Main Avenue 7, 1000 Victoria, Seychelles does not exist. To the best of Complainant's knowledge, in the whole of Seychelles no "Main Avenue" exists, which clearly indicates that the real owner of the disputed domain name registered the domain name in the name of a non-existing, false company in order to avoid prosecution for potentially illegal services provided under the disputed domain name. Moreover, the Complainant's attempt to contact the Respondent by mail at this address were unsuccessful, with mail returned to sender. The Complainant submits that no company named Divxstage Ltd. exists. In support of this submission

Under such circumstances the mere imitation of the Complainant's famous trademark in a company name cannot generate a legitimate interest in registering a domain name confusingly similar to the Complainant's famous trademark. Otherwise,

any entity could easily circumvent the provisions of the Regulation (EC) No. 874/2004 and the ADR Rules by registering a company name in a country beyond the reach of the trademark owner.

Bad Faith Registration and Use
The Complainant alleges that the website to which the disputed domain name resolves, provides hosting services for video and music files only, using the name “divx stage”. Registered users of the service may upload such media files to the Respondent’s server. Via a link, anyone can access the respective media file by way of streaming or downloading. In support of this assertion, the Complainant has furnished print-outs from the Respondent’s website including the login area.

The Complainant submits that links directing to the media files hosted by the Respondent are published on multiple corresponding websites offering links to the newest movies shortly after or even before its box-office release. As a result, anyone can watch the media files uploaded to the Respondent’s servers for free and without consent of the respective copyright owner. In Complainant’s best estimation, such conduct no doubt infringes the copyright of the respective film producers. The Complainant further submits that the Respondent generates income from such illegal streaming activities by selling premium accounts for high data transfer rates and positioning advertisements whose revenue depend on traffic volume and click rates.

The Complainant refers to the results of WhoIs searches and submits that in addition to registering the disputed domain name the Respondent has also registered corresponding ccTLD and gTLD domain names <divxstage.net>, <divxstage.ch>; <divxstage.at>; <divxstage.ag>; <divxstage.ec>; <divxstage.sx>. The Complainant submits that all of these domain names, including the disputed domain name, redirect to a website established at the <divxstage.to> address. The Complainant submits that the .to TLD is very popular among providers of illegal online services, since the responsible registry “Tonic” is not in any way cooperative when it comes to revealing a domain name owner’s identity for reason of legal prosecution. Tonic does not even provide for a proper Whois service.

Furthermore, Complainant argues that the illegal services provided by the Respondent furnish evidence that the Respondent chose the company name to create a false proximity to the long existing Complainant and its well respected DIVX® and STAGE6® trademarks. The term “divx” is the sole property of Complainant, and is not in any way generic.

The Complainant alleges that by using the disputed domain name and other domain names referring to the Complainant’s famous and well respected DIVX® and STAGE6® trademarks, the Respondent obviously intends to create an air of respectability and legality for its service. At the same time, the Respondent’s use of the Complainant’s trademarks for a dubious hosting service severely compromises the Complainant’s reputation. Anyone who visits the site / domain name will falsely believe that the site is at least endorsed, if not operated, by the Complainant.

On August 6, 2014, Complainant sent a warning letter to the Respondent requesting him/her to cease and desist from any further use of Complainant’s trademarks, through international mail, as well as the email address of record for the <divxstage.eu> registration (admin@divxstage.eu), and through the online “Contact” form located at <divxstage.eu>. The Complainant states that the Respondent did not respond any of these correspondences, but did thereafter redirect <divxstage.eu> domain name to <divxstage.to>.

The Complainant submits that the Respondent registered and uses the disputed domain name in bad faith, arguing that while it is well established that the requirements in Art. 21 sec. 1 lit a and b Regulation (EC) No. 874/2004 are alternative, it is obvious in the present case that besides lacking a legitimate interest in the disputed domain name, the Respondent, registered and uses the disputed domain name in bad faith. The Respondent clearly registered the disputed domain name to attract Internet users, for commercial gain, to its hosting service by creating a likelihood of confusion with the Complainant’s DIVX® and STAGE6® trademarks, and with the purpose of creating an air of respectability for its service and the pretence of legality of the movie files offered therein.

Anyone who visits the website to which the disputed domain name resolves will believe that the website is endorsed, sponsored or even operated by the Complainant, which is clearly not the case. The Respondent clearly exploits the reputation of the DIVX® and STAGE6® trademarks, among Internet users and film fans a synonym for a high-quality video

standard.

The Complainant submits that it follows from the foregoing that the Complaint is well-founded under the provisions of Regulation (EC) No. 874/2004 and the ADR-Rules. Since the Complainant is based in San Diego, California it requests that the disputed domain name be transferred to its subsidiary company MainConcept GmbH. In the past panels frequently held that a company based outside the European Union is to be considered an entity entitled to be the holder of a .eu domain in accordance with Art. 4 (2) of Regulation 733/2002 if it names a wholly owned European subsidiary as the transferee of a domain name (see case no. 04588- rieke.eu; case no. 04955- collierscre.eu; case no. 05117- akbank.eu; case no. 05837- turkcell.eu; case no. 0652- aig-investment.eu; case no. 06623- bankofamericacorp.eu).

B. RESPONDENT

There was no Response or other communications received from the Respondent.

DISCUSSION AND FINDINGS

Procedural Issue
This Panel notes that the Complainant is established in the United States of America and is therefore not an "undertaking having its registered office, central administration or principal place of business within the Community (Regulation 733/2002). The "Overview of CAC panel views on several questions of the alternative dispute resolution for .eu domain name disputes" published by the Czech Arbitration Court states at page 22 that the consensus view is that "a]ccording to Art 22(1) PPR and Paragraph B 1 (a) of the ADR Rules, any person or entity can start and ADR proceeding. Therefore non-EU-entities have standing in ADR .eu proceedings. However, those entities cannot request a transfer of the domain name, but only revocation [...] The Panels have usually accepted joint complaints filed by non-EU-right holders and their EU subsidiaries or other related entities. If transfer was requested to the EU entity it was usually granted."

In the interest of consistency of the decisions within this ADR process this Panel has decided that it is appropriate to follow the consensus view and for reasons given below has decided to direct transfer of the disputed domain name to the wholly owned subsidiary of the Complainant which is established in Germany, has been granted licensee rights by the Complainant rights holder and has joined in these proceedings as a co-Complainant.

Substantive Issues
Article 21 of Regulation 874/2004 and Rule B 11 of the ADR Rules require that the Complainant must prove that

i. the domain name is identical or confusingly similar to a name in respect of which a right is recognized or established by the national law of a Member State and/or Community Law and

ii. the domain name has been registered by the Respondent without rights or legitimate interest in the name; or

iii. that the domain name has been registered or is being used in bad faith.

Complainant's Rights
The Complainant has provided evidence that it has rights in the DIVX and STAGE6 marks recognised in national law and Community law through the above-listed Community Trademark registrations.

The Complainant's subsidiary company MainConcept GmbH, based in Elisabethstraße 1, 52062 Aachen, Germany, which joins as Co-Complainant in these proceedings is a wholly owned subsidiary of the Complainant and has been fully authorized to use the DivX® trademark and to license the Complainant’s DivX® products within Europe. In such circumstances MainConcept GmbH also has rights as authorised licensee in said trademarks recognised in national law and Community law and is an organisation established within the Community for the purposes of Article 4.2(b)(ii) of Regulation 733/2002.

Confusing Similarity

This Panel accepts the Complainant's submissions that the disputed domain name <divxstage.eu> is confusingly similar with the Complainant's DIVX mark and accepts that the <.eu> TLD extension may be ignored for the purposes of comparison in this case. The letters DIVX are the dominant element in the disputed domain name and the additional element "stage" does not serve to distinguish it as it is a descriptive term in the circumstances of the present case.

It is not necessary to consider whether the disputed domain name is confusingly similar to the Complainants' "STAGE6" mark.

This Panel finds that the Complainant has proved that the disputed domain name is confusingly similar to a name in respect of which a right is recognized or established by the national law of a Member State and/or Community Law and has therefore succeeded in the first element of the test in Article 21 of Regulation 874/2004 and Rule B 11 of the ADR Rules.

Rights or Legitimate Interest
The Complainant has made out a prima facie case that the Respondent has no rights or legitimate interests in the disputed domain name. The Complainant is the owner of the DIVX mark and it has not authorized, licensed, or permitted the Respondent to register or use the Complainant's trademarks as a domain name nor in any other way. Furthermore the Complainant's evidence is that the company named DivxStage + Ltd. purportedly registered in the Seychelles does not exist; and furthermore that the Respondent is using the disputed domain name as the address of a website to provide illegal services.

In the circumstances the burden of proof rests with the Respondent to rebut this evidence. The Respondent has failed to furnish a response and has therefore failed to discharge the burden.

This Panel finds that on the balance of probabilities the disputed domain name has been registered by the Respondent without rights or legitimate interest in the name and the Complainant has therefore succeeded in the second element of the test in Article 21 of Regulation 874/2004 and Rule B 11 of the ADR Rules.

Bad Faith Registration and Use
On the evidence, the disputed domain name appears to be a combination of two of the Complainant's registered trademarks. The Complainant's DIVX mark is particularly distinctive and is the first and dominant element of the disputed domain name. The Respondent did not deliver a Response or other explanation of the disputed domain name was selected and registered. This Panel takes the view that on the balance of probabilities the disputed domain name was registered because of its similarity with the Complainant's mark and with the intention of taking predatory advantage of the Complainant's reputation and goodwill by creating the impression among Internet users that the website to which the disputed domain name resolves is endorsed, sponsored or operated by the Complainant and thereby cause confusion with the Complainant's trademarks.

The Respondent has not denied or challenged in any way that the Respondent is using the disputed domain name as the address of a website to provide illegal downloads.

Furthermore this Panel finds that on the balance of probabilities the registrant has provided false details of its identity and address which in itself would allow this Panel to make a finding of bad faith registration and use of the disputed domain name.

This Panel finds therefore that on the balance of probabilities the disputed domain name has been both registered and is being used in bad faith and the Complainant has therefore succeeded in the third and final element of the test in Article 21 of Regulation 874/2004 and Rule B 11 of the ADR Rules and is entitled to the relief sought in the Complaint.

DECISION

For all the foregoing reasons, in accordance with Paragraphs B12 (b) and (c) of the Rules, the Panel orders that

the domain name DIVXSTAGE be transferred to MainConcept GmbH

PANELISTS

Name	James Bridgeman

DATE OF PANEL DECISION 2014-11-26

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

I. Disputed domain name: DIVXSTAGE

II. Country of the Complainant: USA and Federal Republic of Germany, country of the Respondent: Spain

III. Date of registration of the domain name: 8 April 2011

IV. Rights relied on by the Complainant (Art. 21 (1) Regulation (EC) No 874/2004) on which the Panel based its decision:
1. Community Trademark 2252385, DIVX registered on April 7, 2004 for goods and services in classes 9, 35 and 42;
2. Community Trademark 3924149, a figurative mark with a DIVX device, registered on July 8, 2004 for goods and services in classes 9, 35, 38 and 42;
3 Community Trademark 5382478,STAGE6, registered on May 22, 2008 for goods and services in classes 9, 35, 38, 41 and 42.

V. Response submitted: None

VI. Domain name is confusingly similar to the protected right/s of the Complainant

VII. Rights or legitimate interests of the Respondent (Art. 21 (2) Regulation (EC) No 874/2004):
1. Respondent has no rights or legitimate interests in the disputed domain name.
2. Complainant made out a prima facie case that the Respondent has no rights or legitimate interests in the disputed domain name. Complainant is the owner of the confusingly similar trademark DIVX and has not granted the Respondent any rights to use the trademark as a domain name or otherwise. Respondent failed to file a Response and so has not discharged its burden of proof.

VIII. Bad faith of the Respondent (Art. 21 (3) Regulation (EC) No 874/2004):
1. Yes, the disputed domain name was registered and is being used in bad faith.
2. Respondent chose, has registered and is using the disputed domain name which is confusingly similar to the Complainant's registered trademark as the address of a website providing media content. On the balance of probabilities the domain name was chosen, registered and is being used to take predatory advantage of the Complainant's goodwill in the name.

IX. Other substantial facts the Panel considers relevant:

X. Dispute Result: [Transfer of the disputed domain name to MainConcept GmbH, based in Elisabethstraße 1, 52062 Aachen, Federal Republic of Germany.

XI. Procedural factors the Panel considers relevant: This Panel notes that the Complainant is established in the United States of America and is therefore not an "undertaking having its registered office, central administration or principal place of business within the Community (Regulation 733/2002). The "Overview of CAC panel views on several questions of the alternative dispute resolution for .eu domain name disputes" published by the Czech Arbitration Court states at page 22 that the consensus view is that "a]ccording to Art 22(1) PPR and Paragraph B 1 (a) of the ADR Rules, any person or entity can start and ADR proceeding. Therefore non-EU-entities have standing in ADR .eu proceedings. However, those entities cannot request a transfer of the domain name, but only revocation [...] The Panels have usually accepted joint complaints filed by non-EU-right holders and their EU subsidiaries or other related entities. If transfer was requested to the EU entity it was

usually granted."

In the interest of consistency of the decisions within this ADR process this Panel has decided that it is appropriate to follow the consensus view and for reasons given below has decided to direct transfer of the disputed domain name to the wholly owned subsidiary of the Complainant which is established in Germany, has been granted licensee rights by the Complainant rights holder and has joined in these proceedings as a co-Complainant.

XII. [If transfer to Complainant] Is Complainant eligible? The Complainant is not established in the EU. It is joined as a co-Complainant by its wholly owned subsidiary and authorised licensee MainConcept GmbH, Aachen which has licensee rights in the name and an undertaking established within the Community for the purposes of Article 4.2(b)(ii) of Regulation 733/2002.